

PARLIAMENT OF KENYA**THE NATIONAL ASSEMBLY****THE HANSARD****Thursday, 4th March 2021**

The House met at 2.30 p.m.

[The Speaker (Hon. Justin Muturi) in the Chair]

PRAYERS

COMMUNICATION FROM THE CHAIR**Hon. Speaker:** I will be doing it shortly before we get to Order No.8.*(Several Hon. Members walked into the Chamber)**(Hon. Clement Kigano walked along the aisle)*

Members, take your seats so that I can present this Petition. You can remain up standing if you desire to. Apparently, today the Member for Kangema does not want to sit.

PETITION**DISPLACEMENT OF RESIDENTS OF KIHOTO
HOMEOWNERS SELF-HELP GROUP BY RISING WATER LEVELS**

Hon. Members, as you know, Standing Order 225(2)(b) requires the Speaker to report to the House a Petition other than those presented by a Member. In that regard, I wish to report to the House that my Office has received a Petition from Mr. Zachary Kamau Githiki, Mr. Robert Waititu Ndirangu and Ms. Lydia Wanjiru Ndungu, who are representatives of Kihoto Homeowners Self-Help Group in Kihoto Estate, bordering Lake Naivasha, Nakuru County.

The petitioners claim that following the rising water levels of Lake Naivasha and the resultant raging floods of early 2020, over 500 homeowners have been displaced from their homes. The water levels of the lake are still rising despite the abatement of rain-induced floods, a situation that the Water Resources Authority has attributed to tectonic activities and effects of climate change.

The petitioners aver that the flooding has also affected wildlife habitat that has made wildlife such as hippopotamuses and buffaloes among others to stray from their habitats to the fields and homes within Kihoto Estate, causing destruction of crops, property and livelihoods, fear, anxiety and psycho-social related ailments among the residents of the said estate and surrounding

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areas. The petitioners state that, while they appreciate the efforts by various Government agencies to mitigate the situation, recurrence of this phenomenon calls for urgent and permanent action.

Hon. Members, the petitioners, therefore, pray that this House intervenes on the issues raised in the Petition with a view to recommending that the Government repossesses affected flooded land as part of the lake and compensates or resettles the affected home and land owners on alternative land, perhaps on higher grounds, and further create a buffer between the lake and residential areas so as to avert human-wildlife conflicts.

Pursuant to the provisions of Standing Order 227, the Petition stands committed to the Departmental Committee on Environment and Natural Resources for consideration. The Committee is at liberty to engage or work in collaboration with the Departmental Committee on Lands while considering applicable prayers sought in the Petition. The Committee is required to consider the Petition and report its findings to the House and to the petitioners in accordance with Standing Order 227(2).

I thank you.

Next Order!

PAPERS LAID

Hon. Amos Kimunya (Kipipiri, JP): Hon. Speaker, I beg to lay the following Papers on the Table of the House:

Reports of the Auditor-General and Financial Statements in respect of the following institutions for the year ended 30th June 2019 and the certificates therein:

- (a) State Department for Planning.
- (b) State Department for Development of ASALs.

Reports of the Auditor-General and Financial Statements in respect of the following institutions for the year ended 30th June 2020 and the certificates therein:

- (a) State Department for Post Training and Skills Development.
- (b) State Department for Transport.
- (c) State Department for Infrastructure.
- (d) Petroleum Development Fund.
- (e) Office of the Director of Public Prosecutions.
- (f) Ethics and Anti-Corruption Commission.
- (g) Insurance Regulatory Authority.
- (h) Ministry of Lands and Physical Planning.
- (i) Ministry of Energy.
- (j) State Department for Broadcasting and Telecommunications.

ORDINARY QUESTIONS

Hon. Speaker: Hon. Members, at this point I wish to draw your attention to the existence of a Supplementary Order Paper. I hope it has been uploaded.

The first Question is by the Member for Kiambu, Hon. Gathoni Wamuchomba. Is she in the House?

An. Hon. Member: Yes!

Hon. Speaker: Do you know how to operate the microphone?

Hon. (Ms.) Gathoni Wamuchomba (Kiambu CWR, JP): Hon. Speaker, I have been distracted by a Member. Please, give me a minute.

Hon. Speaker: Very Well. Let us have the Member for Gilgil. I hope you have not been similarly disrupted.

Question No.072/2021

STATUS OF BENSON NJAU KAYAI WEREABOUTS

Hon. (Ms.) Martha Wangari (Gilgil, JP): Hon. Speaker, I want to confirm that the disruption is specific to Hon. Wamuchomba's side. It did not spill to this side.

I rise to ask Question No.72 of 2021 to the Cabinet Secretary for Interior and Coordination and National Government:

- (i) Is the Cabinet Secretary aware that Mr. Benson Njau Kayai, a resident of Gilgil Constituency and an advocate of the High Court of Kenya practicing Law in Nairobi City, at Messrs. Njau Kayai & Co. Advocates has been missing since 7th February 2021?
- (ii) What is the status of the investigations into the disappearance of Mr. Njau and how many suspects have been apprehended or questioned so far regarding his disappearance?
- (iii) What specific measures has the Government put in place to protect Kenyans from the spate of abductions that have been rampant in the country in the last five years?

Hon. Speaker: The Question will be replied to before the Departmental Committee on Administration and National Security.

Member for Kiambu, are you ready now or are you still undergoing disruption?

Question No.065/2021

REGISTRATION OF PERSONS UNDER INUA JAMII CASH TRANSFER PROGRAMME

Hon. (Ms.) Gathoni Wamuchomba (Kiambu CWR, JP): Hon. Speaker, I am now okay. I rise to ask Question No.65 of 2021 to the Cabinet Secretary for Labour and Social Protection:

- (i) What is the criteria used in identification of elderly persons to benefit from the Inua Jamii Cash Transfer Programme in the country and in particular, in Kiambu County?
- (ii) Could the Ministry consider ensuring that all the elderly persons who have attained the age of 70 years and above from 2017 are fully enrolled into the Inua Jamii Cash Transfer programme in Kiambu County?
- (iii) What measures is the Ministry putting in place to ensure that persons who attain the age of 70 years are automatically enrolled into the said programme and start receiving the benefits immediately?

Thank you, Hon. Speaker.

Hon. Speaker: That Question will be replied to by the Cabinet Secretary before the Departmental Committee on Labour and Social Welfare.

The next Question is by the Member for Emuhaya, but he has requested for its deferment, and the request has been acceded to. For the convenience of the House, I also wish to defer Question No.081 of 2021 by the Member for Turbo, Hon. Janet Sitienei. I have information that she will not be available.

Question No.073/2021

ISSUANCE OF BIRTH AND DEATH CERTIFICATES IN EMUHAYA

*(Question deferred)**Question No.081/2021*

DELAYED PAYMENT FOR MS. DORCAS MWANGI UNDER CASH TRANSFER PROGRAMME

(Question deferred)

The next Question is by the Member for Konoin, Hon. Brighton Yegon.

Question No.075/2021

DEPLORABLE STATE OF MOGOGOSIEK-KAPKOROS-SILIBWET ROAD

Hon. Leonard Yegon (Konoin, JP): Hon. Speaker, I rise to ask Question No.75 of 2021 to the Cabinet Secretary for Transport, Infrastructure, Housing, Urban Development and Public Works:

- (i) Is the Cabinet Secretary aware of the deplorable state of the Mogogosiek- Kapkoros- Silibwet Road in Konoin Constituency, Bomet County, which has been neglected and is in dire need of repair given that road users and farmers in this region rely on it to transport their produce to markets?
- (ii) When will the Ministry upgrade the Road to bitumen standards to reduce the high costs of vehicle maintenance and improve the comfort of passengers while using the road especially the sick and pregnant women?

Hon. Speaker: The Question will be replied to before the Departmental Committee on Transport, Public Works and Housing.

The next Question is by the Member for Khwisero, Hon. Wangaya.

Question No.076/2021

STATUS OF CONSTRUCTION OF KHWISERO EDUCATION OFFICE

Hon. Christopher Wangaya (Khwisero, ANC): Hon. Speaker, I rise to ask Question No.76 of 2021 to the Cabinet Secretary for Education:

- (i) Could the Cabinet Secretary provide details on the status of the construction of Khwisero Education Office in Khwisero Sub County?
- (ii) What is the expected cost of the construction of the said Office, how much has been spent to date and when is it expected to be completed?
- (iii) What measures has the Ministry put in place to ensure that the construction of the office is fully funded?

Hon. Speaker: The Question will be replied to before the Departmental Committee on Education and Research.

The next Question is by the Member for Ikolomani, Hon. Benard Shinali. The Majority Whip, Hon. Wangwe will ask it on his behalf.

Question No.077/2021

CONSTRUCTION OF MWILANYA AND LWANUNGU BRIDGES

Hon. Emmanuel Wangwe (Navakholo, JP): Hon. Speaker, on behalf of the Member for Ikolomani, I rise to ask Question No.77 of 2021 to the Cabinet Secretary for Transport, Infrastructure, Housing, Urban Development and Public Works:

- (i) Could the Cabinet Secretary undertake to construct the Mwilanya Bridge along the Akatsa–Shimanyiro Road C783, and Lwanungu Bridge along the Sigalagala - Muhudu-Kaimosi Road C678 in Ikolomani Idakho East Ward, both in Ikolomani Constituency that broke down and are in deplorable state and currently exposing road users, particularly school-going children to danger?
- (ii) What immediate intervention measures is the Government putting in place as they construct the said bridges to avert the danger posed by the deplorable state of these two bridges?
- (iii) What measures is the Ministry putting in place to ensure that the said bridges are built to the required standard considering that breakages of the said bridges have been recurring?

Thank you, Hon. Speaker.

Hon. Speaker: Very well. The Question will be responded to before the Departmental Committee on Transport, Public Works and Housing. That marks the end of that segment on Order No.7. Let us move on to the Statement by the Leader of the Majority Party on House business.

STATEMENT

BUSINESS FOR WEEK COMMENCING 9TH TO 11^H MARCH 2021

Hon. Amos Kimunya (Kipipiri, JP): Hon. Speaker, Pursuant to the provisions of Standing Order No.44(2)(a), I rise to give the following Statement on behalf of the House Business Committee which met on Tuesday, 2nd March 2021 to prioritise the business for consideration.

Hon. Speaker, on Tuesday next week, at both the Afternoon and Evening sittings, we hope to continue with the Second Reading of the following Bills, if we do not conclude with them today:

1. The Kenya National Blood Transfusion Service Bill, 2020.
2. The County Governments (Amendment) Bill (Senate Bill No.13 of 2018).
3. The National Cohesion and Peace Building Bill (Senate Bill No.35 of 2018).
4. The Narcotics, Drugs and Psychotropic Substances (Control) (Amendment) Bill, 2020.
5. The Constitution of Kenya (Amendment) (No.3) Bill, 2019.
6. The County Statutory Instruments Bill (Senate Bill No.21 of 2018); I thought we finished this one.
7. The Impeachment Procedure Bill (Senate Bill No.15 of 2018).
8. The County Law Compliance and Enforcement Bill (Senate Bill No.25 of 2018).

Hon. Speaker, during the same week, the House Business Committee has also scheduled consideration of the Public Fundraising Appeals Bill (National Assembly Bill No. 66 of 2019) in the Committee of the Whole House, and debate on the Report of the Departmental Committee on Trade, Industry and Cooperatives on Ratification of the Economic Partnership Agreement between Kenya and the United Kingdom.

Hon. Speaker, the House is also expected to consider and conclude with the Report of the Budget and Appropriations Committee on the 2021 Budget Policy Statement by Tuesday, 9th March 2021 at the latest, which will pave way for publication of the Division of Revenue Bill, 2021.

In accordance with the provisions of Standing Order No.42A(5)(6), I wish to convey that the following Cabinet Secretaries are scheduled to appear before the departmental committees as follows:

- (i) The Cabinet Secretary for Agriculture, Livestock and Fisheries will appear before the Departmental Committee on Agriculture and Livestock on Tuesday, 9th March 2021, to answer Questions from the following Members: Hon. James Onyango Oyoo, Hon. Gabriel Kago Mukuha and Hon. Andrew Mwadime.
- (ii) The Cabinet Secretary for Transport, Infrastructure Housing, Urban Development and Public Works will appear before the Departmental Committee on Transport, Public Works and Housing on Wednesday, 10th March 2021, to answer Questions by the following Members: Hon. (Capt.) Retired Ruweida Obo, Hon. Julius Melly, Hon. Catherine Waruguru, Hon. Tindi Mwale, Hon. Olago Aluoch, Hon. Kangogo Bowen, Hon. David Gikaria, Hon. Martha Wangari and Hon. Mohammed Dedi.

Lastly, the House Business Committee will convene on Tuesday, 9th March 2021, at 11:00 a.m. to reschedule the business for the coming week. I now wish to lay the Statement on the Table of the House.

Thank you.

(Hon. Amos Kimunya laid the Document on the Table)

COMMUNICATION FROM THE CHAIR

DRAFT CONSTITUTION OF KENYA (AMENDMENT) BILL, 2020

Hon. Speaker: Hon. Members, you will recall that on Tuesday, 2nd March 2021, I made a Communication updating the House on the status of returns by the county assemblies to the Speakers of the Houses of Parliament with respect to the draft Constitution of Kenya (Amendment) Bill, 2020. In that Communication, I indicated that as at close of business on Monday, 1st March 2021, 42 county assemblies had submitted their resolutions on the draft Bill to the Speakers of the Houses of Parliament. So far, out of the 42, only two county assemblies had rejected the Bill.

Hon. Members, in addition to that number, we have also received certificates of approval and copies of the draft Bill from the respective Speakers of the county assemblies of Migori and Kilifi.

(Applause)

This brings the total number of county assemblies that have approved the draft Constitution of Kenya (Amendment) Bill, 2020 to 42. Three county assemblies are yet to submit their resolutions on the draft Bill as at today, 4th March 2021, at 1.00 pm. These are Elgeyo Marakwet, Uasin Gishu and Mandera county assemblies.

Hon. Members, you will also recall that in my previous Communication on this matter, I informed the House that the House Business Committee had resolved at its meeting held on Tuesday, 2nd March 2021, that the Bill be introduced for First Reading today, 4th March, 2021, in the form that it was presented to the 47 county assemblies by the Independent Electoral and Boundaries Commission (IEBC). You will note from today's Order Paper for this afternoon sitting that this resolution has been adhered to. In addition, the Clerk of the National Assembly informs me that he has obtained sufficient copies of the said Bill as directed, indeed, 600 copies to be precise, and that the Bill has also been uploaded to the chamber gadgets for ease of access by Members.

As a precursor to the First Reading of the Bill, I have approved the Procedural Motion co-sponsored by the Leader of the Majority Party and the Leader of the Minority Party appearing as Order No.8 in today's Order Paper for this sitting. The objective of the Procedural Motion is to highlight the Bill's journey so far and to enable the House to take note of the parliamentary process.

Hon. Members, once the Bill is read a First Time today, it shall stand committed to the Departmental Committee on Justice and Legal Affairs. Having previously guided that the Bill will be considered by the two Houses of Parliament in a concurrent manner, the Speaker of the Senate and I have approved joint sittings of the committees between the Departmental Committee on Justice and Legal Affairs and the Senate's Standing Committee on Justice, Legal Affairs and Human Rights pursuant to the provisions of Standing Order No.202A which provides for joint sittings of committees of Parliament. The two committees are at liberty to jointly undertake public participation on the Bill and are expected to expeditiously report back to the Houses of Parliament on or before Tuesday, 23rd March 2021. This is in keeping with Article 257(7) which provides that, "if a draft Bill has been approved by a majority of county assemblies, it shall be introduced in Parliament without delay."

Hon. Members, two pertinent issues have to be resolved because they are likely to arise. These are:

- 1) During Second Reading, who will move the Second Reading of the Bill; and,
- 2) whether, and how the Houses shall limit debate on a Bill whose promoters are neither Members or a Committee of the House.

It is the practice of this House and other Parliaments for the sponsor of a Motion or Bill to either move its consideration by the House or depute that responsibility to any other Member with the approval of the Speaker. This applies to all the stages of the consideration of Bills before the House. The rationale behind this is to allow the sponsor of the Bill to apprise the House fully on the contents of the Motion and to clarify on any pertinent issues raised by Members in the ensuing debate. As Members are aware, a Bill to amend the Constitution by popular initiative under Article 257 of the Constitution is not sponsored by the Leader of the Majority Party, the Leader of the Minority Party, a Committee of this House or a Member of this House. Its promoters would qualify to be rightly referred to in our language "strangers to the House".

Hon. Members, Article 257(7), (8), and (9) of the Constitution which govern the consideration of an amendment to the Constitution by popular initiative by Parliament do not, in themselves, identify the specific mover of the key processes of introduction and consideration. They provide, and I quote:

“(7) If a draft Bill has been approved by a majority of the county assemblies, it shall be introduced in Parliament without delay.

(8) A Bill under this Article is passed by Parliament if supported by a majority of the members of each House.

(9) If Parliament passes the Bill, it shall be submitted to the President for assent in accordance with Article 256(4) and (5).”

Hon. Members, to my mind, therefore, the Constitution tasks the collectivity of Parliament with the process of introduction and consideration of such a Bill. In this regard, and pursuant to Article 124 of the Constitution on the power to make Standing Orders for the orderly conduct of proceedings and business of the House, a procedure for these two processes ought to have been approved by the House. This obviously is not the case as it lacks in our Standing Orders.

The constitutional imperative to introduce and consider the Bill and the lack of an express procedure in the Standing Orders for the same informed my previous guidance on the manner and form in which the Bill is to be introduced in this House. By extension, and pursuant to Standing Order No.1, which allows the Speaker discretion to prescribe procedure where none is applicable, I note that the work of the House is largely executed by its committees which recommend various actions to the House and inform debate on matters under its consideration. Members will note that the House has through the Second Schedule to the Standing Orders mandated the Departmental Committee on Justice and Legal Affairs to consider the following subjects:

“Constitutional affairs, the administration of law and justice, including the Judiciary, public prosecutions, elections, ethics, integrity and anti-corruption and human rights.”

In this regard, it is, therefore, my considered view that apart from facilitating public participation on the Bill, the Committee would also be best placed to move the various stages of the Bill on behalf of the House. In providing this guidance, I hasten to add that I do not in any way ascribe ownership of the Bill to the Departmental Committee on Justice and Legal Affairs of this House. I do also note that it would be unfair for Members to hold the Committee to the same standard that it would hold the mover of a Bill who is a Member of the House. In this regard, the Committee will be executing a constitutional imperative on behalf of the House, but will not assume ownership of the Bill. I would encourage the Committee, while conducting public participation, to extend an invitation to the promoters of the Bill for the promoters to exhaustively explain the philosophy behind the Bill and its various proposals as I do believe, as a matter of public notoriety, that they may not have had an opportunity to appear before various county assemblies to do so.

With regard to the second question on the limitation of debate during consideration of the Bill, you note that in my previous Communications on this matter I had indicated the rigorous process that the Constitution attaches to a Bill to amend the Constitution by popular initiative. Being the first time this House is scheduled to consider such a Bill, I am cognisant of the fact that it shall elicit enormous interest from Members, who naturally will want to participate during its consideration by the House. In order to allow sufficient and meaningful debate on the Bill, there is need for the House to decide how speaking time will be allocated amongst its membership. Consequently, in due course, the House Business Committee will be proposing a Motion in this respect before the Second Reading of the Bill.

To conclude, I therefore, direct as follows:

1. Upon its First Reading, the Constitution of Kenya (Amendment) Bill, 2020, promoted by the Building Bridges Initiative, will stand committed to the

Departmental Committee on Justice and Legal Affairs for consideration and facilitation of public participation. The Committee shall hold joint sittings with the Senate Standing Committee on Justice, Legal Affairs and Human Rights.

2. The Clerk of the National Assembly is directed to release an invitation for public participation on the Bill immediately and to note particularly the promoters of the Bill as key participants.
3. When the time comes, the Motion for the Second and Third Readings of the Bill shall be moved by the Departmental Committee on Justice and Legal Affairs.
4. At the appropriate time the House Business Committee will be proposing a Motion for limitation of debate on the Bill before its Second Reading.

The House is accordingly guided. I thank you, Hon. Members.

(Applause)

Hon. Members, sorry. Let me make some business reorganisation for the convenience of the House. If you look at the Supplementary Order Paper, business appearing as Order No. 8 is a procedural Motion and business appearing as Order No.10 would flow naturally from Order No.8. In between Orders No.8 and 10, there is a Motion for approval of some Bill, whose balance of activity is putting the Question. Therefore, in order not to cause unnecessary confusion, I have decided to rearrange the business, so that business appearing as Order No.9 becomes Order No.8 and Order No.8 becomes Order No.9. The rest will follow.

Thank you, Hon. Members.

MOTION

APPROVAL OF MEDIATED VERSION OF THE EARLY CHILDHOOD EDUCATION BILL

THAT, pursuant to the provisions of Article 113(2) of the Constitution and Standing Order 150, this House adopts the Report of the Mediation Committee on the Early Childhood Education Bill (Senate Bill No.26 of 2018), laid on the table of the House on Thursday, 18th February 2021, and approves the Mediated Version of the Early Childhood Education Bill (Senate Bill No.26 of 2018).

(Hon. Munene Wambugu on 2.3.2021)

(Debate concluded on 2.3.2021)

Hon. Speaker: Hon. Members, debate on this Motion was concluded and what remains is putting the question, which I hereby do.

(Question put and agreed to)

PROCEDURAL MOTIONINTRODUCTION OF THE CONSTITUTION OF
KENYA (AMENDMENT) BILL, 2020

Hon. Speaker: Hon. Kimunya.

Hon. Amos Kimunya (Kipipiri, JP): Hon. Speaker, I beg to move the following procedural Motion:

THAT, noting that the Constitution of Kenya (Amendment) Bill, 2020, popularly referred to as the Building Bridges Initiative (BBI) Bill, was published in the *Kenya Gazette* on 25th November 2020; whereas the Independent Electoral and Boundaries Commission (IEBC) submitted the draft Bill between 27th January 2021 and 2nd February 2021 to each of the 47 county assemblies for consideration in accordance with the provisions of Article 257(5) of the Constitution; further whereas as at Tuesday, 2nd March 2021, the draft Bill had been approved by a majority of the county assemblies, therefore meeting the threshold set out in Article 257(7) of the Constitution for introduction in Parliament; cognisant of the provisions of Article 257 of the Constitution requiring Parliament to expedite processing of a draft Bill proposing to amend the Constitution through popular initiative upon meeting the threshold set out in Article 257(7); and further cognisant of the guidelines and communication so far issued by the Speakers of the Houses of Parliament with regard to the processing of a Bill proposing to amend the Constitution through popular initiative, particularly the Constitution of Kenya (Amendment) Bill, 2020 promoted by the BBI. Now, therefore, this House notes the approval of the draft Constitution of Kenya (Amendment) Bill, 2020 by a majority of the county assemblies and affirms to expeditiously consider the said Bill in keeping with the requirements of Article 257(7) of the Constitution.

Hon. Speaker, allow me first of all to clearly state that the intention of this Motion is obviously not to debate the content of the BBI Report or even the BBI draft Bill, if we refer to it as such, in terms of its merits and demerits. Instead, this Motion seeks to facilitate debate by the House in terms of the process of how we consider the Bill so that we speak in one voice as a House, especially on matters that are not currently covered in the Standing Orders or by law and yet will be critical at this stage. We need to be in tandem with the requirements of the Constitution that such a Bill shall be introduced without delay. Most importantly, we need to process it without delay so that it can then go to the people of Kenya. In any case, we cannot debate a Bill that has not been introduced in the House. It will be introduced through the next Order.

I also want to remind Members that in November last year, I did table in this House the full BBI Report. I would like to urge Members that even as we prepare to debate this Bill, it would be important for them to read the full Report so that you can put issues into proper context. The Constitution of Kenya (Amendment) Bill is only a small part of the entire Report.

Hon. Speaker, I was honoured together with Hon. Muturi Kigano, Hon. Junet Mohamed and Sen. Orenge to be part of what was referred to as an “editorial team” that reviewed and fine-tuned the constitutional amendment Bill within the Report to come up with what we now have as the one taken to the IEBC. I am sure that either of those people will be at hand to respond to any issue Members may have in terms of why some things are in while others are not. I thank the promoters for giving us that opportunity.

Hon. Speaker, as you have explained in your Communication, the House is aware that our Standing Orders only provide for Bills that have come through Committees or Parliamentary

processes. On any Bill that is from outside, our Standing Orders are rather silent. Our current election law is also silent. Our Referendum Bill is still under process. We have some *lacuna* that we need to be guided on.

I want to thank you, both Speakers of the National Assembly and the Senate for the efforts you have put so far in guiding the House in these untested times, when we are supposed to process this without delay yet we do not quite have tools in terms of how to do it. In the absence of a provision in the Standing Orders, luckily, the framers provided for invocation of Standing Order No.1 that gives you power to guide this House so that we do not have a situation where the House cannot move on account of lack of a provision in the Standing Orders on what to do.

I want to thank you, Hon. Speaker, for that and our technical team, including the Clerks, for putting in place mechanisms for verification of all those Bills. As you rightly pointed out to us, some counties may have considered the premature Bill - the Bill that was incorporated within the Report. I want to draw the attention of Members to the fact that even as you consider the Bill, note that there is a difference between the Bill contained in the Report and the Bill I sent to the IEBC. We will consider the Bill that will be formerly introduced in this House. Nevertheless, the rest of the Report is good for background reading to put things into context. The last time we had this kind of situation was during the popular Punguza Mzigo Initiative, which had lots of inadequacies and grey areas. This has helped in terms of lessons learnt, and we have seen your pronouncement as partly coming from that initiative.

Yesterday's debate in the Senate brought out some of the issues. This afternoon, it might also bring out some issues so that by the time the Justice and Legal Affairs Committee retreats, all of us will be at liberty to also help them in thinking. We will not only refine the process so that we give Kenyans the law or the process in a way that cannot be contested, but we will also have clarified a few things for inclusion within our Referendum Bill by the time we bring it for Third Reading. At least, there are some lessons learnt through this process. I invite the House to candidly discuss some of these things with a view of figuring out how we can positively influence and expedite the process.

Hon. Speaker, when Members bring petitions, they read them out themselves. When a stranger brings a Petition, you read it and introduce it in the House yourself. This is the situation we are in. A Bill has come from outside and although Hon. Junet is listed as a promoter, he is only part of a group of strangers of the BBI. Hon. Denis Waweru is not a Member of this House. Technically, this Bill is only coming here through introduction by the IEBC. We cannot, therefore, treat it the same way we treat other Bills. This is where we have the First Reading. So many days are set out in law. There is nowhere the Constitution says that a popular initiative should have 90 days and should be read or whether we should be approving a Report or a Bill. We cannot change it, whether we take it through the Second and Third Readings. There are small things that we want you to ventilate on then we put them together as part of this.

Most importantly, we need to recognise that the promoters have gone through a process. They met all the waypoints. They have had their signatures and the Bill has been taken to the counties. They managed to convince all the counties. Forty-three counties have passed the Bill, which shows that there is a bit of effort in the whole country. We want to recognise all that effort. It is now our turn, as Parliament, to do our bit. Whether we pass it or not, it still goes ahead to a referendum. Members may then ask why we are discussing the Bill. It does not matter whether we pass it or not. The Constitution envisages a situation where a Bill could have issues that are not listed within Article 255, which requires a referendum. Our debate here would have been final and the Bill would be taken to the President for assent. However, because it contains issues and it is

the choice of the promoters to bring it as a package, either way, it still has to go for referendum. This gives an ideal opportunity for the House not only to reflect on the issues contained therein, but also to put on record our own observations on the proposed amendments to help at the referendum and any future amendments. We are representatives of the people who have sovereign power, who gave it to us through Article 1 of the Constitution. The people themselves can decide directly or decide through their elected representatives. We are the elected representatives to think on behalf of them and put things on record for them. Do we agree with what the promoters are saying? If we do, what else would we like to see as an amendment? I know people out there still think there is need for amendments. The promoters are no longer available to amend because it has left their hands. The Bill is now before us. The people of Kenya are the only ones who can make a decision. For any other person who feels there is an amendment that might be required in the future, this would be an opportune time to get the debate from this House and bring an amendment either directly or through the House or through a future referendum. We can go on refining our Constitution with this amendment and a subsequent amendment. By the time we get to 27 amendments, like the USA, we will probably have perfected it.

The import of this debate, which will hopefully be brief, is just to get a few remarks from Members, especially seasoned Members on constitutionalism and constitution-making so that we guide the House and the Committee. Most importantly, in order to support the decisions being made by our two Speakers who are also consulting heavily in terms of the process, which is not provided for in law or in the Standing Orders, we must create it as we go. As long as we are all in agreement, we are good to go. If there are any issues, we should be able to resolve them and move together as the two Houses of the Parliament of Kenya.

Yesterday we had a productive leadership meeting. It was a joint meeting of the leaderships of the two Houses, where we all agreed that there has not been much concurrence in the past. However, we agreed to have joint sittings of the committees as you reported, Hon. Speaker, because the people who will be bringing papers for public participation will probably be on the same issue. There is nothing for the Senate and there is nothing for the National Assembly. It will be the same; the effective use of time, and hopefully we will be able to get through this process before the end of this month and then we can allow the rest of the processing by the people in the referendum.

Therefore, Hon. Speaker, I want to urge this House to note the approval of the Bill by the majority and then affirm the expedited processing in accordance with the provisions of Article 257(7). Moreover, remember we are doing it as a draft Bill and it is only after we pass it, then it becomes a Bill. However, we then go to the Independent Electoral and Boundaries Commission. If you look at Articles 257(7) and 257(8), the distinction becomes very clear that the draft Bill is coming before us and after we pass it, it becomes a Bill. Therefore, again it is the thinking of the makers of the Constitution, the experts who will tell us.

However, with those few remarks, I beg to move that we pass this Motion, and I request the Leader of Minority party, who is my co-sponsor on this Motion to second.

Hon. Speaker: Hon. Mbadi, you have the Floor.

Hon. John Mbadi (Suba South, ODM): Thank you very much Hon. Speaker. I rise to second this Motion. I actually want to second the Motion for the introduction of the Constitution of Kenya (Amendment Bill), 2020 which has been promoted by the Building Bridges Initiative and this is a Motion that has been co-sponsored by the Leader of Majority, the Hon. Amos Kimunya and myself.

From the outset, I want to point out that the Bill we are likely to deal with shortly has been promoted by 4.2 million Kenyans going by the first list that went to IEBC. However, even from the verified and authenticated list, over 3 million Kenyans have decided that they want the 2010 Kenyan Constitution amended in a particular manner. However, these over 3.2 million Kenyans could not come here to prosecute and execute what they intend this House to deal with. Therefore, we have belabored and discussed this issue.

Hon. Speaker, we must say that we have really benefited a lot from you and especially your legal background and your deep understanding of the processes and procedures of Parliament in giving us the way forward and helping chart this course. In addition, we felt that it was important that through a Motion, we have this draft Bill introduced in this or allowed for introduction in the House.

Hon. Speaker, allow me to congratulate those counties that have dealt with this Bill and more particularly the 43 or so counties which approved and agreed with the 3.2 million Kenyans who wanted the Constitution to be amended. That translates to 91.4 per cent of all the counties in this republic. That is an indication of overwhelming support that probably this draft Bill is enjoying. I hope that this House will also reflect that percentage in supporting the Bill when it comes here.

However, Hon. Speaker, I just want to continue by saying that we are expecting that the BBI Constitution (Amendment) Bill will be introduced in this House for expedited processing pursuant to Article 257 of the Constitution. The question that arises is: Why then are we expediting this processing? To answer this question, allow me to jog the memory of this House and take ourselves to the history of Constitution making in Kenya. Many of us will remember or recall that through a national referendum - which was conducted on 4th August 2010 - the people of Kenya unequivocally bequeathed to themselves and the successive generations the current Constitution which we call the 2010 Constitution. The overarching principle that the people of Kenya entrenched in the new constitutional dispensation is the sovereignty of the people. It is on this backdrop that Sub-Article (1) of the Constitution allows the people to either exercise their sovereign power directly or donate it to their democratically elected representatives to exercise that power on their behalf.

Hon. Speaker, my colleagues would be wondering whether it was indeed necessary for me to have given that background. However, what I am doing is to demonstrate to this House that there is a direct nexus between the sovereignty of the people alluded to in Article 1 of the Constitution and the process for amending the Constitution which is enshrined in Chapter 16 of the Constitution. You will realise that Articles 256 and 257 of our Constitution provide for two distinct paths that may be taken to amend the Constitution.

The first path is through parliamentary initiative which we are at liberty to start at any time and at whatever level and to amend any provision in the Constitution. That is what Article 256 of the Constitution is all about.

However, the second path which seems to be the one that we are now taking, is what we now call the popular initiative. It is provided for under Article 257 of the Constitution. It is, therefore, instructive for the House to note that the framing of Article 256 of the Constitution was intended to place the process of amending this Constitution through popular initiative within the exclusive sovereign power of the people.

Hon. Speaker, sometimes I have heard some Kenyans argue that we are yet to fully implement this Constitution and, therefore, why do we amend it? To fully implement this

Constitution, even amending it through popular initiative or any other initiative, is a way to implement this Constitution. This is because one of the provisions in it is amendment to the Constitution. Moreover, if we successfully amend the Constitution through whichever initiative, then it is a demonstration that this Constitution is working. Therefore, it flies in the face to argue to the contrary.

That is why, no matter the action that Parliament may take on a draft Bill of this nature - and I am talking about popular initiative - Article 257(10) contemplates:

“If either House of Parliament fails to pass the Bill, or the Bill relates to a matter specified in 255 (1), the proposed amendment shall be submitted to the people in a referendum.”

In a nutshell, if the people of Kenya have decided to amend the Constitution and collect enough signatures to convince IEBC that the minimum threshold has been met, therefore, it is upon the people of Kenya in total, and all of us, to decide whether to carry the amendment or not. Nobody can usurp the sovereign power of the people when they decide to amend their own Constitution.

From plain reading of the above provisions, it is clear in my mind that what is required of this House and, indeed, the Senate with respect to amending the Constitution through popular initiative, is the expedited processing of a Bill and, therefore, for the IEBC to submit the same to the people of Kenya in an exercise where they are going to exercise their sovereign power through a referendum.

Hon. Speaker, at this point, allow me to echo the sentiments of the Leader of Majority and laud your counsel to the House setting aside the delays that may have arisen should Parliament have opted to republish the BBI Constitution (Amendment) Bill. Moreover, of course, also to avoid unnecessary litigations that would have arisen. You know BBI - much as it is enjoying good number of support and I believe popular support in this country - it also has enough enemies. In addition, we have seen those enemies publicly. Therefore, if we had made any mistake in the processing of this Bill, believe you me, we would have faced many hurdles on the way.

Hon. Speaker, on the strength of your ruling delivered on Tuesday, 2nd March 2021, this House is now set to process the Bill without delay as required in Article 257(7) of the Constitution.

Allow me not to forget to remind this House again that we are going to listen to Kenyans. We are going to have public participation. However, the requirement of Article 257 is that this House cannot and has no powers at all to amend even a comma in this draft Bill. When I hear some leaders talk out there in public rallies - they are very knowledgeable Kenyans - they tell us that now it is in the hands of Parliament to amend the Bill, I dare say that is an exhibition of total ignorance and confusion.

On the issue of maturity period, it is important for the House and the general public to understand that the mischief for providing a minimum publication or maturity period before a Bill is read a First Time in the House is to serve as a notification to the House and the general public that a certain Bill was due to be introduced in the House.

As a House, we have religiously respected this Parliamentary tradition. However, with respect to the Building Bridges Initiative (BBI) Constitutional (Amendment) Bill, this tradition of adhering to the set maturity period for a Bill would be of no value, given that it is a matter of public notoriety that the said Bill has been in public domain long enough and beyond the stipulated 21 days.

Hon. Speaker, I agree with your direction that the Bill be introduced in the form submitted to the county assemblies by the Independent Boundaries and Elections Commission. This secures

the integrity of the form and content of the Bill from the IEBC and its journey through the 47 county assemblies, the Houses of Parliament and ultimately to the people for a decision.

We want to deal with one Bill from the time the IEBC sent the Bill to the 47 counties and the same Bill was passed in the form and content with which it came from the IEBC to be introduced in this House and to go to the people of Kenya. We do not even want a comma to be changed. It should be the same Bill dated the same day, debated by all the 47 county assemblies, passed and debated by the two chambers of Parliament and finally taken to the people of Kenya after the President will have sent it to the IEBC.

Finally, I am impressed with the consultations that you and the Hon. Speaker of the Senate spearheaded last year. Equally, the guidelines you have severally given to the respective Houses of Parliament which have been jointly agreed to ensure that the bicameral processing of the Constitution of Kenya Bill 2010 promoted by the BBI in Parliament is expedited as required under Article 257 of the Constitution.

We have had several meetings, the last of which the Leader of the Majority Party alluded to which was yesterday. As leadership of Parliament from both Houses, we are totally in agreement and in consultation with our technical team. I thank the Clerk's office in both Houses, the technical team and the Legal Department. They have enriched the discussion around how this House will proceed with this exercise. This is a very important exercise for this country. I think this is the only time in this country we are experiencing the people of Kenya making a decision on their own to come together and amend the supreme law that governs them.

The other cases were always initiated through processes which included constituent assembly. Some people gathered together as Members of Parliament, people from various districts came together in 2003 and slightly before that, but it was disbanded. They were re-convened in 2003. It led in a failed referendum in 2005. We again started on a journey which led us to the 2010 Constitution.

However, this is the first time that Kenyans have collected enough signatures and those signatures have counted in their various county assemblies. I know there was the "*Punguza Mzigo*", which also managed to get some signatures. I do not know through which method because I did not see them collect signatures. Anyhow, I do not want to cast aspersions. They managed to get over 1 Million signatures. Unfortunately, they did not manage the process after that or they did not have the capacity and the political might that is required to push through an agenda like this and they failed miserably. I cannot remember how many counties approved that Bill, but I am sure they were not more than five. Coincidentally, some of those counties which approved the "*Punguza Mzigo*" are probably the very few ones which are currently telling Kenyans that we do not need to amend the Constitution.

Hon. Speaker, I end my contribution by requesting this House to agree with us that we allow the introduction of this draft Bill formerly in this House.

With those many remarks, I beg to second.

(Question proposed)

Hon. Speaker: Let us have Hon. Kioni.

Hon. Jeremiah Kioni (Ndaragwa, JP): Thank you, Hon. Speaker for that early opportunity to speak to this Motion. I support the Motion at the outset because, like you have said, and also the Mover and the Secunder, this is certainly a unique thing that this Parliament has not done before. It is a process that had not been provided for perhaps with some little bit of further details by the

drafters of the Constitution. It is important that this Parliament be part of what Kenyans would want to do and what they have indicated they would want to do. That is to get this process moving as quickly as possible and without us being seen to be an impediment of any nature.

Hon. Speaker, I have heard discussions and some talk shows of some people who would want to say that the role of Parliament is totally unnecessary. In fact, one of them used a word that is not useful to have on the *Hansard*. It is, however, important that we accept and allow the process to go on.

I support the sentiments that have been given by the Leader of the Majority Party and the Leader of the Minority Party. We need to use Standing Order No.1 to become a bit innovative and think quickly on how we can process this amendment Bill through the popular initiative. Certainly, you have addressed the issues on why we do not need to do publication again. It is without doubt that we have to be careful.

Those of us who remember the Constitution processes will remember that in 1992 we allowed the Government Printer to print, and a coma was introduced and this changed the whole debate and direction the country wanted to take. So, we need to be careful with such attempts of going back to the Government Printer especially when we can see it is not necessary.

I also believe that when we did the Constitution 2010, by the time we left Naivasha, there was a sunset clause on some of the nominations we do. Again, we lost this somewhere in between. So, we have to be careful with who we trust the Bill with after it has left and is going through the mill.

I know there is call for public participation. There is a question of why do public participation if what the public is going to tell us will not find its way in the Bill. I invite people to look at Article 118 and 201 where you have public participation when dealing with public finance and ordinary legislative agenda. There seems to be some little difference. When we go for public participation with a Bill, we listen to the public and take their views into consideration. We also have an opportunity to see what should find its way into the Bill or not. But this is a little unique because the Bill has already been considered by 43 plus counties and they have heard their voice on it. So, if we try to amend it at some point, in my opinion, the counties will have sound argument to say what we are now processing is not what they passed. So, we may need to refer it back to them to agree with it again. So, this process will never come to a stop.

I totally agree we need to allow the process to move on. Again, echoing the sentiments of the Leader of the Minority Party, the recognition of the sovereignty of the people is what the people have given an okay to, going all the way to the end without a lot of intellectual interference. So, we need to agree and allow this process to move on. I want to thank you for the guidance you have given us on this process.

The issue of having joint sittings between this House and the Senate is another useful innovation. When Parliament was working on the Constitution 2010, we did not have a Senate. We had a Parliamentary Select Committee which was composed of Members from all political parties because we were dealing with a constitutional issue. This is not something you want to deal with from a section of Parliament or representatives. So, it is good to have both Houses speaking to this. It will allow us to move the process forward quickly.

I think it is important that we set our minds on the areas in the Constitution that requires to move a little ahead of the processes, so that we do not find ourselves in the coming days with a similar scenario where we need to think on our feet on what to do and how to process legislative agenda that comes before us.

I do not want to say much, but allow me to add that at the beginning of last year when the first Report of the BBI came out, we became over ambitious as the Constitutional Implementation Oversight Committee (CIOC) and we asked ourselves questions we are asking now. Perhaps in our little thinking, we may have come up with suggestions a little earlier, but where we are now, we want to move on as a country. As Members of the Constitution Implementation Oversight Committee, we are happy we are moving on. I want to add my support. Where you think we are useful, we will be available even as the process continues.

Again, I want to congratulate the 43 counties that have passed this Bill. It is good to thank them and even the people who came out to sign this document, the three million plus Kenyans. We need to thank them and support the process they passed. Finally, having looked at the BBI Report, it has many other possible constitutional amendments that can come moving forward.

I think it is upon this Parliament and perhaps the coming Parliament to take up the leadership role. We should process the amendments that can be done through Parliament without waiting for another very expensive exercise to be ran through the country. I think we can play a more active role in the process of amending the Constitution. In so doing we will save the country some money and also help Kenyans implement the Constitution. I agree with the Leader of the Minority Party that in amending we are still implementing the Constitution.

Thank you, Hon. Speaker.

Hon. Speaker: Let us have Hon. Otiende Amollo.

Hon. (Dr.) Otiende Amollo (Rarieda, ODM): Thank you, Hon. Speaker. I wish to support this Motion and express full concurrence with your guidance and ruling on this matter based on the Constitution, usages, customs and precedence both in this country and other comparable jurisdiction.

It is true that the Standing Orders do not provide for a situation under Article 257. Therefore, we must fall back to Standing Order No.1. In doing so, we need to disabuse a few things that some people may have supposed. First of all, it should be noted that this is not a situation where Standing Order No.129 applies, which speaks of 90 days between the readings. The Standing Order relates to an initiative under Article 256. In fact, it copies the words of Article 256(1)(c).

Secondly, we should also disabuse the notion that some people have sold out there, that we will require a super majority to pass this Bill. That is the two-thirds majority which would be contemplated under Article 256 again. In this case, as expressly provided in Article 257(8), it is just a simple majority.

Thirdly, it must be understood that we are not at liberty to amend the draft. Therefore, suggesting that there are amendments that can be brought through this House would be misleading the public. The issue is very simple. Where it is a popular initiative, which has been sanctioned as in this case by over four million Kenyans, we cannot be at liberty to adjust their thinking. Ours is to do what we must do and then allow the people to express themselves in a referendum.

I welcome and thank you for the guidance on the joint sittings of the National Assembly Departmental Committee on Justice and Legal affairs and the Senate Standing Committee on Justice, Legal Affairs and Human Rights. I want to confirm to you that we have already initiated informal consultations between the two committees. Therefore, your ruling gives it a formal foundation on which to proceed.

It is also important to speak to the question of public participation. It is important to do public participation, but it must be what I would call limited public participation. Limited first, because this is a process that has been on for three years. This is a process that saw the hand of

over four million Kenyans signify their acceptance and willingness to be promoters. This is a process that has already gone to all the counties in this country and 44 of the 47 counties have already formally signified their expression, about 42 of them accepting and two rejecting. More importantly, this is a process where the ultimate test of public participation will be the vote of the people in a referendum. That is where having considered everything, every Kenyan who is eligible to vote will vote either yes or no.

It must be understood that this will be the ultimate expression of sovereignty under Article 1 of the Constitution, where the people themselves will take their vote. This is to be contradistinguished with a situation where a matter is debated in this House and we pass it and it either becomes law or not depending on our vote. In such instances, the people do not usually have a say, but in this one, they would have a say.

Hon. Speaker, that limited public participation will be the opportunity for the promoters to engage with the committees for a fuller and better understanding of the document. It is also the opportunity where the promoters will also engage with the committees not just on the constitutional amendments, but the entire proposals in the BBI Report, some of which require statutory Bills and statutory amendments in which case even as we are considering the constitutional amendment Bill, then we would have the opportunity to initiate the processes that are necessary to enact those other Bills.

In terms of timelines, I welcome and thank you for your directions in terms of the date by which the Departmental Committee on Justice and Legal Affairs Committee must report back to this House. It is my understanding that the meat of the debate will be on that report. I think it is important that as the House Business Committee considers the proposal in terms of limitation of timelines, I would urge them to have such consideration noting that it would be important for us as a House not to detain this process. It would be really important that we get over and transmit the document to the IEBC before the end of March, so that the IEBC can set appropriate dates for the referendum.

Hon. Speaker, with those few remarks, I affirm and support this Motion. Thank you.

Hon. Speaker: I see the Member for Kikuyu.

Hon. Kimani Ichung'wah (Kikuyu, JP): Thank you, Hon. Speaker. Without *injuncting* anybody, the Members who have contributed, the Chair of JLAC, the Chair of the Constitution Implementation Oversight Committee (CIOOC), the Mover and the Seconder have articulated the issues very well and the guidance that you have given to the House is quite timely. I am sure many of us are agreed on this process that there ought to be some guidance on how this process proceeds. I am happy the Leader of the Minority Party has clarified that those who are seeking to promise people additional constituencies in public rallies may not have that opportunity through this House or elsewhere because what is contained in this Bill will go as it is.

I want to rise on a point of order. For me, the priority is the economy and I see the Chair of the Budget and Appropriations Committee has been very patiently seated here waiting to move the BPS Motion. Hon. Speaker, will I be in order to request you to ask the Mover to reply, so that we may proceed to the other more pressing priorities of the economy?

With that, I wish to request that if the House is in agreement, we ask the Mover to reply since it is a Procedural Motion and we will have more time to engage on these matters when this Bill comes before the House. I ask that the Mover be asked to reply, so that we move to the more important business of the economy.

Hon. Speaker: When a Member claims that the Mover be called upon to reply, the Speaker's role is merely to find out whether the House would be in agreement. Do you want to

do the BPS or the Procedural Motion? Within the BPS, you can speak a lot about many of these things.

Hon. Members, the Member for Kikuyu has claimed that the Mover be called upon to reply and I put the Question.

(Question, that the Mover be called upon to reply, put and agreed to)

Let us have the Mover.

Hon. Amos Kimunya (Kipipiri, JP): Hon. Speaker, I thank the contributors, although few, but they raised very weighty issues. Obviously, the debate does not stop here. There will still be lots of opportunity to interact with the Committee. There will be lots of opportunity within the public participation, but the good thing is that of all the people who have spoken, there is total concurrence, especially reaffirming the faith they have in the decisions of the two Speakers and the processes as continuing within the House. Even if we have 10 or 20 more people speaking, they would all be confirming the same. So, I assume that those who have spoken have spoken on behalf of the entire House hence I want to thank everyone and let us get on with the business of expediting this process as envisaged by the framers of our Constitution.

I beg to reply.

Hon. Speaker: Hon. Members, even as I put the Question on this Procedural Motion, I hope many of you were in the chamber when I did my earlier Communication. The second point was how much time we allow for debate on this Bill when finally, the report is brought by the JLAC.

If you recall, I indicated that there may be necessity for the HBC to consider extending the time each Member contributes because this is a very weighty matter. It is a matter to deal with constitutional amendment and it is not fair that we stick to the three or five minutes, but, of course, that will also have some bearing on some of the other business that is before the House. It is my view and we agreed in the HBC that there may be need for us to pass a special Motion allowing for setting more time than normal so that every Member who has something to say about this very important Bill is given an opportunity or has a chance to have their name on the *Hansard*. This is history.

So, it may be important that the HBC considers extending the number of minutes that each contributor gets. Sometimes it has tended to appear that on account of our numbers because we are 349. If you go to secondary schools, that will be more than a double intake class in a double stream school if each class has 40 students. So, you can imagine sometimes we have had to adjust our times to give ourselves five or ten minutes and sometimes three minutes merely because of the numbers. I think sooner than later I believe the Members are going to rise to the occasion and maybe extend the sitting hours up to around midnight or 2.00 a.m. so that we can accommodate the large numbers, like Hon. Pukose suggests, especially when we get to 640, if we ever get to that kind of number. It may be necessary to sit throughout day and night. There could be night and day sittings.

(Question put and agreed to)

BILL*First Reading*

THE CONSTITUTION OF KENYA (AMENDMENT) BILL, 2020

*(Order for First Reading read - Read the First Time and
ordered to be referred to the relevant
Departmental Committee)*

Hon. Speaker: Well, we do not have to put the Question, Hon. Members. Even ordinarily we do not put Questions. So, it stands committed as per the direction given, the Justice and Legal Affairs Committee to hold public sittings jointly with the equivalent committee in the Senate, and that the Clerk issues the relevant notices and publications as appropriately directed.
Next Order!

MOTION

CONSIDERATION OF THE 2021 BUDGET POLICY STATEMENT

Hon. Kanini Kega (Kieni, JP): Thank you, Hon. Speaker. I request with your indulgence, if I can relax my mask.

Hon. Speaker, I beg to move:

THAT, this House adopts the Report of the Budget and Appropriations Committee on the 2021 Budget Policy Statement and Medium-Term Debt Management Strategy, laid on the Table of the House on Thursday, 4th March, 2021 and-

(a) approves the 2021 Budget Policy Statement and Medium-Term Debt Management Strategy;

(b) further makes the policy resolutions contained in the First Schedule to the Order Paper;

(c) approves the Budget Ceilings for 2021/2022 Financial Year as set out in the Second Schedule to the Order Paper: and,

(d) further, resolves that the Budget Policy Statement so approved, forms the basis for the introduction of the Division of Revenue Bill, 2021.

Hon. Speaker, as I move, I want to thank this House. Only a fortnight ago, this House passed and approved the list of the new Members of the Budget and Appropriations Committee. I would also want to bring to the attention of the House that the Committee retreated and elected Hon. Bernard Masaka Shinali, the Member for Ikolomani as the Vice-Chair and myself as the Chair of the Budget and Appropriations Committee unopposed.

As I move, I want to thank my Committee Members. The document that we have today was signed by 26 out of 27 Members. That shows the level of commitment of the new Members of the Budget and Appropriation Committee. Hon. Speaker, I will try to be as brief as possible, so that I can give Members an opportunity to contribute on the same.

Section 25(7) and Section 33(1) of the Public Finance Management Act 2012 as well as Standing Order No. 232(7), requires the Budget and Appropriations Committee to scrutinise the Budget Policy Statement (BPS) and the Medium Term Debt Strategy (MTDS) paper. It is,

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therefore, my pleasant duty and honor to present to this House, the committee's report on the two aforementioned policy statements for the Financial Year 2021/2022 and the medium term.

The 2021 BPS and the MTDS have been prepared at a time when the global economy is grappling with the adverse effects of the COVID-19 pandemic and the ensuing containment measures. Domestically, the Kenyan economy has experienced a significant income productivity losses arising from the pandemic. Indeed, by the end of the third-quarter, of 2020, the Kenya National Bureau of Statistics (KNBS) estimated that over three million Kenyans were unemployed. This income and job losses were mostly in the informal sector which employs approximately 80 per cent of Kenyans. The BPS 2021 has outlined priority pro-growth policy measures for the 2021/2022 Budget that are aimed at stimulating economic recovery in the Post COVID-19 period. This is in addition to the continued implementation of the MTP3 project as well as the Big Four agenda. The theme of the 2021 BPS is building back better, strategy for resilience and sustainable economic recovery. It is called the bounce-back ability.

The 2021 BPS and the MTDS 2021/2022 to 2022/2023, 2022/2023 to 2023/2024 was submitted to Parliament and tabled on the Floor of the House on 11th February 2021, that is pursuant to Standing Order No.232 (5) and (6). The BPS was promptly committed to the Budget and Appropriations Committee as well as departmental committees which were required to deliberate on the documents in line with their respective mandates and make recommendations to Budget and Appropriations Committee. On the other hand, the MTDS Paper was committed to the Budget and Appropriations Committee where it was examined and discussed. The Committee held stakeholders' consultation with the National Treasury, the Central Bank of Kenya and the Commission on Revenue Allocation to discuss critical aspects of the BPS in the context of the State of the economy.

Further, discussions were held with the Ministry of Health, Ministry of Agriculture and Livestock and Fisheries, Ministry of Cooperatives, Development and Marketing, Ministry of Industrialisation, Trade and Enterprise to review the status of the Big Four Agenda projects. The Committee also held meetings with the PSC, the Office of the Auditor-General to review their budgetary needs for the coming financial year. On the same note, we also did a meeting with the Liaison Committee that is composed of the Deputy Speaker and all the Committee chairpersons. Thereafter, the Budget and Appropriations Committee held very fruitful deliberations with the departmental committees and received recommendations on the BPS 2021.

Further discussions were also held with the National Treasury before this Report was finalised. The recommendations arising from these discussions are contained in this Report. Once approved by this House, the BPS recommendation will form the basis for the finalisation of the 2021/2022 Budget, pursuant to Section 25(8) of the PFM Act and PFM Regulations 27 and our own Standing Order No. 232(10).

On the other hand, the MTDS is expected to inform the country's borrowing plan over the medium term. After those deliberations, we came up with key recommendations on policy and finances. From the Order Paper, we have clearly enumerated the recommendations that we came up with. Just to highlight, the Committee recommended:

That the National Treasury to develop a policy to enable the reduction of unproductive and non-target tax waivers and tax breaks in order to protect revenue. This should be submitted to Parliament alongside the Budget Estimates for the Financial Year 2021/2022 by 30th April 2021. We need to get revenue which comes from taxes. However, there were some tax waivers and exemptions in the past which are completely needless. That is what we want to check.

The National Treasury should also review compendium of the Government projects and consider deferment of new ones by one financial year, while ensuring adequate counterpart funding and provision of funds for stalled projects before finalisation of Budget Estimates for the Financial Year 2021/2022.

Hon. Speaker, our House pays over Kshs400 million for rent to Kenyatta International Convention Centre (KICC). We also pay another Kshs60 million to other private offices for Members of Parliament. We do that basically because the office block that is supposed to be occupied by Members of Parliament is not complete. My Committee has committed to provide enough resources to make sure that the new office block for the Members of Parliament will be complete and ready for occupation by October. We want to lead by example by September this year. Each and every year, the Government spends billions of shillings to rent private offices. We want to say clearly that there are too many stalled projects. First of all, we want to complete them.

During the finalisation of the Budget Estimates of the Financial Year 2021/2022, the National Treasury should take into account the pending bills and ensure that they are adequately provided for within the approved expenditure. National Government-Constituencies Development Fund (NG-CDF) falls under this. We say all the time that the first charge should always be pending bills. Unfortunately, this does not happen. The Government has accumulated billions of shillings over the years in terms of pending bills. There are too many people who are suffering out there. They provided services and goods to both the National Government and the county governments. However, they are being auctioned now. Their only sin was to provide services and goods to the Government and its agencies. We tell them that the first charge at all times should be pending bills. Moving forward, we will be very strict on that. An issue was raised yesterday on the Floor of the House that the National Treasury has not released funds to the NG-CDF Board. We were told that Kshs26 billion was released to the NG-CDF Board. The issue is whether those funds are for the current year or arrears. This is an issue that we need the Committee to bring to this House.

I also want to hasten and say that there are also some Members here who have been complaining that they have not received their funds and yet they have not submitted their proposals for their constituencies. I was informed that there are Members who provided their proposals a week ago, but they have been waiting for money to be disbursed to their constituencies. How will the money be disbursed to the constituencies without providing the proposals? That is an issue that we are taking seriously. The National Treasury has committed that every week, they will be releasing Kshs2 billion. If the revenue collection improves, they will improve and make sure they clear the backlog.

The National Treasury should restructure State-owned enterprises, especially the highly indebted ones which are unable to meet their operation cost with a view of privatising some of them. This House passed the Privatisation Commission. We have a board which is asleep. We need to privatise most of the parastatals which are milking the Government every other day, but are not economically viable. The Government has no business doing business. It should be put very clearly that moving forward, some of the agencies that are not making profit every year will not be funded by the Exchequer.

With regard to the sectorial policy recommendation, we propose that this House approves the attached Annex 1 which provides a list of all policy recommendations. These are drawn from Annex 2 which is the summary of the departmental committees' observations and recommendations which have been discussed and approved by the Committee. We took into consideration all the recommendations that were brought forward by the departmental committees. I really want to thank the Chairs of the various departmental committees. The last committee came

before us on Friday past midnight. So, we met up to 2.00 a.m. I want to thank the various departmental committee Chairs and Members for their commitment.

Hon. Speaker, we also have other recommendations underpinning the fiscal framework. With this regard, I want to report that the revenue target for the Financial Year 2021/2022 is not less than Kshs2.034 trillion and the ordinary revenue target is Kshs1.75 trillion. The fiscal deficit, including grants approved by Parliament for the Financial Year 2021/2022, is pegged at Kshs930 billion or 7.5 per cent of Gross Domestic Product (GDP). Any increase of the fiscal deficit beyond what has been approved in the Budget Policy Statement for the Financial Year 2021/2022 will not be approved by Parliament. We are doing this because we want to reduce this appetite of borrowing without the concurrence of this House. We also encourage the National Treasury to have the fiscal consolidation which will improve the fiscal policies that we have in the country.

The National Treasury should be consistent with the debt mix that ensures that there is low cost and minimise the risks. The net falling financing should be limited to Kshs530 billion while the net domestic finance is set at Kshs399.9 billion.

I also want to move very quickly to the financial recommendations:

THAT, the ministerial expenditure underpinning the programme for the Financial Year 2021/2022 be limited to not more than Kshs1.30 trillion for the recurrent expenditure and Kshs658.9 billion for development expenditure;

THAT, the ceiling for the Parliamentary Service Commission and Judiciary be set at Kshs37.88 billion and Kshs17.91 billion respectively;

THAT, the expenditure ceiling for the Financial Year 2021/2022 Budget be approved as per the attached Schedule II. These ceilings shall be binding. The National Treasury should prepare the Budget Estimates with these binding constraints. We have seen in the past where the BPS has absolutely no nexus or connection with the Budget Estimates. We have said categorically that the annual Estimates should be a replica or closely related to the BPS.

THAT, having considered the unfunded request from the departmental committees amounting to Kshs240 billion, the Committee has identified critical expenditure needs that require urgent funding amounting to Kshs45.5 billion as per the attached Schedule 1.

More importantly, any revenue raising measures contained in the financial year 2021/2022 Finance Bill shall also be earmarked to fund the aforementioned priority areas.

Hon. Speaker, we had long deliberations. Moving from Kshs240 billion requests from the various departmental committees to Kshs45 billion was a lot of concession. So, we also put it as part of the wish list.

THAT, county governments be allocated Kshs409.88 billion. This is a great improvement from the last financial year. Of course, the county government equitable share shall be Kshs370 billion moving from the current Kshs316 billion.

THAT, the allocation of the Equalization Fund at Kshs6.8 billion be approved as provided in the Budget Policy Statement.

THAT, once approved by this House, these recommendations together with Schedules 1 and II attached, shall form the basis for the Financial Year 2021/2022 Budget.

I retaliate again that the BPS should inform the Budget Estimates of Financial Year 2021/2022. We do not want to see a situation where there is a total difference between the BPS and the Annual Estimates.

We also had recommendations on the Medium-Term Debt Management Strategy (MTDMS). On this one, I will just highlight a few of them. For avoidance of doubt, after consultation with the National Treasury, the Committee approved a debt mixed ratio of 57:43 of

domestic to external borrowing as provided for in the MTDMS. This strategy provides the optimal debt and is also consistent with the key provisions of Section 50 of the Public Finance Management (PFM) Act. Specifically, the law requires that the National Government shall ensure that its financing needs and payment obligations are met at the lowest possible cost in the market, which is consistent with the prudent risk of management while ensuring that the overall level of public debt is sustainable.

We are impressed that, currently, the Government does not have a high appetite for commercial debt and it is more on the concessional debts. We are happy because that is the route that we want the country to take.

Secondly, the National Treasury should stick to its plan to reduce the stock of the Treasury Bills by Kshs200 billion in the next 30 days, following the adoption of this Report. The National Treasury should also report to the National Assembly how it has been able to achieve the report and on the progress on average time to maturity on domestic debt.

Hon. Speaker, I want to thank your good office, the office of the Clerk, my Committee and extend my gratitude to all the ministries, departments, agencies, commissions...

Hon. Speaker: There is a point of order by the Member for Kikuyu.

Hon. Kimani Ichung'wah (Kikuyu, JP): Hon. Speaker, I am sorry. I did not want to interrupt the Chair, but I realised that he may have forgotten something we had agreed he would make a correction on. In the financial recommendations, there is an inconsistency on the financial and policy recommendations on debt financing. I just want to remind him because it is a matter of figures. What we resolve and pass here is what will go into the records.

Under Financial Resolution III, he is referring to a net foreign financing of Kshs530 billion and a net domestic financing of Kshs399.9 billion while when we go to the policy recommendation, that mix is at a ratio of 57:43 on domestic to foreign. So, the Chair can correct that for purposes of the record.

Hon. Speaker: Hon. Chair, I will also be giving you some extra time because I also see something on the last page of the Second Schedule; Gross Budget Estimates for F/Y 2020/2021. I will add you some extra minutes so that you can address both issues.

Hon. Kanini Kega (Kieni, JP): Thank you very much, Hon. Speaker for being considerate of time. That is true, Hon. Speaker. Thank you very much, swanky chair emeritus, my good friend, Hon. Kimani Ichung'wah. That is also true. I want to make a correction on Financial Resolution III so that it is on record that it is consistent with a debt mix ratio that ensures a minimum risk and, therefore, the net foreign financing be limited to Kshs399.9 billion while the net domestic financing be set at Kshs530 billion. That is the correction and I want it to be on record.

Hon. Speaker, on what you have raised, it is true. There is a typo and I think it happens. The Gross Budget Estimates are for the F/Y 2021/2022.

Hon. Speaker, I beg to move and ask my good friend, the Leader of Minority Party to second.

Hon. Speaker: Hon. John Mbadi, you have the Floor.

Hon. John Mbadi (Suba South, ODM): Thank you, Hon. Speaker. As I second, I want to start by congratulating the Members of the various departmental committees who looked at the BPS and did a good job in presenting their reports to the Budget and Appropriations Committee. I also want to thank the membership of the Budget and Appropriations Committee for doing a good job in having this Report done in record time.

The Fiscal Management Act of 2009 required the Government to submit the BPS to Parliament for review and approval. Again, this was reemphasised under the PFM Act 2021, but the mood and the spirit of this requirement has not been carried to the BPS.

I want to remind and, may be, inform the House that one country that has a long history with BPS is New Zealand, but if you look at their BPS for this year, it is just 28 pages. Ours is 143 pages. Those who like reading could go and read the BPS of New Zealand and compare it with ours. I want to describe our BPS as a forest of words, but a desert of policies and strategies.

The challenge I have with the BPS is on the issue of interpretation of statutes and their financial implications. The law underpinning the NG-CDF provides that at least 2.57 per cent of ordinary revenue should be appropriated to be credited to the NG-CDF for disbursement to constituencies. However, almost every year, the NG-CDF is never fully disbursed.

The PFM Act, 2012 provides that any commitments that are legally payable and remain unpaid in a financial year should form first charge in the next financial year, but when projects funded by CDF are not issued with the Exchequer by the end of the financial year, they should be funded in the next financial year. It, therefore, follows that when we appropriate for a new financial year, the amount for the current year and the arrears for the previous year should always be taken into consideration. Applying the law properly, it would mean that the Kshs26 billion that has so far been disbursed this year is still financing projects of the previous year. It is unfortunate that the Executive, and in particular the National Treasury, is interpreting the law to suit themselves.

Secondly, with regard to what we call the Road Maintenance Levy Fund (RMF), the proposal from the National Treasury is to remove this Fund - the 15 per cent that goes to the counties - from being a conditional grant to a shareable revenue Fund. Therefore, it means there is nothing that will force the counties to apply the 15 per cent from the Road Maintenance Levy Fund in maintaining our roads. What is the effect of that? Counties can even use that money for buying tea, fuelling cars and other operational expenses and our roads will continue to deteriorate because there will be no maintenance.

Hon. Speaker, allow me to talk about my pet area, that is the debt servicing. Servicing of public debt has come home to roost. There is no single year I have ever stood in this House without talking about how we are reaching levels of debt unsustainability. It is the only expenditure that is increasing followed by expenditure on defence and security related entities. I stand here again to shout loudly that we have been borrowing to finance recurrent expenditure.

Figures do not lie. On a yearly basis, at least, between 2 and 5 per cent of our recurrent expenditure is financed through borrowing. This is why we are back to the International Monetary Fund where we are being subjected to performance criteria and where we have to report on certain actions.

I want to talk straight to the Jubilee Government. I have heard none other than the deputy leader of the Jubilee Party, the Deputy President, talk about rising debt and saying that there is debt unsustainability. How I wish that the Hon. William Ruto had listened to some of us early enough! When the Jubilee Government took power in 2013, in June 2013, the debt level in the country was Ksh1,894,000,000,000. By the end of June 2018, a period of just five years, the debt level had risen to Ksh5,047,234,000,000. That is an increase, within five years, of Ksh3.15 trillion. It took us 50 years to reach Ksh1.8 trillion debt level, but it took us only five years to add that debt level by Ksh3.153 trillion.

Let me take this House back to some statistics. From June 2010 to June 2011, the increase in debt for that year alone was just Ksh260 billion. The following year, the increase was Ksh260 billion again. The following year the increase was less than Ksh240 billion. However, immediately

Jubilee came to power, the increase has been over Ksh600 billion every year. Immediately Jubilee came to power in April 2013, every financial year, the debt level has been increasing on an average of Ksh631 billion. The plain truth is that no one in Jubilee can run away from causing this country to incur the debt that we have today.

In fact, before anyone talks to Kenyans, the first thing one must do is to apologise to Kenyans. The Deputy President should apologise to Kenyans for causing the increased debt level before he complains about the rising debt level. Figures do not lie. The problem we are facing today is as a result of an appetite of borrowing by the Jubilee Government. This appetite was informed by populist projects some of which are not adding value to this country. How many times did we complain about borrowing money, the Eurobond, to clean streets of Kibra? Much as it is important to live in a clean environment, but who goes to a bank to borrow money to come and slash or clean the compound? Nobody.

We borrowed money for corruption; we borrowed money to finance dams that do not exist and we borrowed money to “eat” at Kenya Medical Supplies Authority (KEMSA). The KEMSA scandal is part of the loans we will be paying and the Kenyans who have stolen the money are in this country. Look at some of them appearing before Committees of Parliament and saying that God directed them to KEMSA. How can Kenyans have a negative attitude towards other Kenyans? How can you tell us that God directed you to go and steal at KEMSA? Which God is this? It is not the God I worship every day and go to church every Saturday.

If we are to help this country, we have to go back and see where the rain started beating us. Hon. Kanini Kega has talked as the Chairperson of my Committee. This financial year and the last one, we have been borrowing money at zero interest rates. Previously, we were taking commercial loans. This is the first year that IMF and its conditions and conditionalities is giving us Ksh78 billion at zero interest rates to be repayable in 30 years. This is the first time that the World Bank is giving us Ksh82 billion to pay at 1.4 per cent for a longer period of time and this is the first time that the African Development Bank (ADB) is giving us Ksh22 billion to pay at below 2 per cent interest rate. From 2013, we were borrowing money to pay at between 7 and 8 per cent interest rate. We were out there organising road shows like we are in Kondele Market trying to look for people to give us money. Nobody in this Government could listen. I am grateful that now, at least, Uhuru Kenyatta, the President of this country is listening to us. Please, continue listening to us. Do not listen to people like your deputy because they long lost direction and do not know where this economy is heading to and that is why they of talk things they do not understand.

I want to conclude my contribution by asking, is this Budget Policy Statement a business as usual document? Hon. Speaker, add me just one minute. While we appreciate as Kenyans that we have resigned to the fate of *hakuna pesa* slogan, it is important that the Government gives us hope through the document they release. For how long will the youth continue getting handouts through *Kazi Mtaani* and through wheelbarrownomics kind of politics? We want a strategy that will help expand the manufacturing sector to employ the youth of this country. We do not want *Kazi Mtaani*; we do not want wheelbarrownomics; we want real job creation in this country.

This is not politics. *Kazi Mtaani* is being championed by the Jubilee Government while wheelbarrownomics is being championed by Jubilee “B” which is now United Democratic Alliance (UDA). So, it cuts across. We do not want wheelbarrownomics and *Kazi Mtaani*, but we want real jobs for our youth. We were called analogue. Now the analogue is becoming digital and the digital is going with wheelbarrownomics. We need to be serious with ourselves in this country.

Thank you, Hon. Speaker, I beg to second.

(Loud consultations)

Hon. Speaker: Hon. Members, obviously, even as a Chamber or as a House, we cannot just feed on one diet only. We need, from time to time, to get something that can get us balanced and grow. Even children have to play, among other things, even as much as they go to learn in school.

(Question proposed)

Hon. Ichung'wah.

Hon. Kimani Ichung'wah (Kikuyu, JP): Thank you, Hon. Speaker. I can hear the Leader of the Minority Party whispering about wheelbarrownomics. We will teach him about wheelbarrownomics, and how that will change the structure of our economy.

Even as I rise to support this BPS, you realise that we are being asked by the Budget and Appropriations Committee to approve a BPS so that by the time we will go into the Annual Estimates, probably, later in April this year, we will have a deficit of about 7.5 per cent. How I wish that this deficit would be reduced to the levels of six to seven per cent. I implore the Budget and Appropriations Committee to get the National Treasury to reduce this budget deficit to a level of, at least, six to seven per cent. That way, it will address some of the issues that the Leader of the Minority Party has mentioned, including the question of public debt and borrowing.

[The Speaker (Hon. Justin Muturi) left the Chair]

[The Temporary Deputy Speaker

(Hon. Christopher Omulele) took the Chair]

I am happy that the Leader of the Minority Party, Hon. John Mbadi, now concedes that indeed they are being listened to. By that, I am sure he meant the Orange Democratic Movement (ODM) Party which he chairs. A Member of that party, Hon. (Dr.) Nyikal, once described a government as the president and the people the president listens to. Therefore, if you want the definition of a government today in line with Hon. (Dr.) Nyikal's definition, then it is the President and the people he listens to, that is, the people that Hon. John Mbadi is alluding to.

Hon. Temporary Deputy Speaker, the BPS that we are being asked to approve is looking at a deficit of 7.5 per cent as the Chair has alluded to for our GDP and an absolute figure of about Kshs930 billion. Hon. John Mbadi went to great lengths to enumerate the Kshs240 billion, Kshs260 billion and Kshs280 billion that were being borrowed between 2010 and 2013. However, the Government, as it is today, is seeking an approval of Kshs930 billion.

Hon. (Ms.) Rachael Nyamai (Kitui South, JP): On a point of order, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Ichung'wah, just hold on. What is out of order, Hon. Nyamai?

Hon. (Ms.) Rachael Nyamai (Kitui South, JP): Thank you, Hon. Temporary Deputy Speaker. What is not in order is that Hon. Ichung'wah is speaking very powerfully behind me, and I am ashamed to say that he was spitting on me and he has been attending *Tanga Tanga* meetings without wearing a mask. I feel unsafe.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Rachael Nyamai, you are absolutely right. Hon. Ichung'wah, dress up. I just want to assure you that you do not need

to worry that the President is not listening to you. I can assure you that he is listening to you. This is the House of Parliament.

Hon. Kimani Ichung'wah (Kikuyu, JP): Hon. Temporary Deputy Speaker, we are all seeking to engage with you because I am not at liberty to do that. I am now dressed up in terms of a mask.

(Hon. Kimani Ichung'wah put on his mask)

The other issue of whether I am being listened to is not relevant to me at this particular point. I want to focus on the issues that I was addressing.

Indeed, the Leader of the Minority Party has enumerated the level of our public debt. Today we are being asked to approve further borrowing of Kshs930 billion which is Kshs70 billion shy of Kshs1 trillion. In the past, and I have belaboured the point in many forums, this House is asked every year to approve this BPS with an expectation that the annual estimates will be done in line with it, but that never happens. The Chairperson of the Budget and Appropriations Committee and the Leader of the Minority Party have also alluded to that fact.

There is a debt mix that we were talking about – the one that the Chair just corrected. There is inconsistency between the BPS and the Medium-Term Debt Management Strategy. The BPS alluded to a net borrowing of about 72 per cent *vis-à-vis* the 57 per cent that is in MTDS. The MTDS is talking about 43 per cent of net foreign funding whereas the BPS is at a level of about 27.8 per cent. These inconsistencies will manifest themselves further when we come to the Annual Estimates, and most likely, you will find that the Annual Estimates will be done more in line with what is in the BPS and not the MTDS.

When you talk about approving a BPS with a very huge deficit, and we then go ahead and do our Annual Estimates based on that, naturally, I will not be shocked if by this time next year, we will be talking of debt levels of close to or above Kshs1 trillion. I am wondering whether we still have space within the debt ceiling. Most likely, in the course of this year, we will be seeing the National Treasury coming back to this House seeking a review of the debt ceiling beyond the Kshs9 trillion.

Therefore, it is not right to just accuse the Jubilee Government of doing things, yet it is us who sit in the National Assembly or the Senate and approve these figures. Hon. John Mbadi sat in the Committee today, and the President is listening to him. He sat in the Budget and Appropriations Committee approving Kshs930 billion of debt.

Hon. Temporary Deputy Speaker, I beg that you add me the one minute that I was interrupted.

If you look at Page 19 of the Report, there is a very huge problem because we have taken the Road Maintenance Levy Fund as part of sharable revenue going to the county governments. We are being dishonest with the people and our county governments. The Road Maintenance Levy Fund Act, 1993, stipulates that these funds should go specifically to maintaining roads in our constituencies at the counties. When we lump these figures as part of our sharable revenue, it is possible that the governors will now utilise this money in other areas away from maintenance of roads. That will be very detrimental even to us as Members of Parliament because the pressure will come back to us to maintain those rural roads that are not being done by the county governments.

In closing, I would like to speak about the realism of our revenue estimates. We are talking about revenue estimates of Kshs1.775 trillion in an economy that, in this financial year, we have

reviewed downwards to Kshs1.594 trillion. This economy is on its knees, and I do not know the magic that will happen. With the structure that we have, we are relying largely on manufacturing, Information, Communication Technology (ICT) and financial services in generation of revenue.

What are we doing with the wheelbarrownomics that Hon. John Mbadi is talking about? That is why we are talking about bottom-up approach where even the agriculture sector that has been contributing an average of 34 per cent of GDP in the last three years, and only contributed about two per cent of revenue generation, that using a...

The Temporary Deputy Speaker (Hon. Christopher Omulele): Very well.

(Hon. Kimani Ichung'wah spoke off record)

I had already added you a minute, the Hon. Member for Kikuyu.

Hon. Baya Yaa, Member for Kilifi North.

Hon. Owen Baya (Kilifi North, ODM): Thank you, Hon. Temporary Deputy Speaker. I would like to contribute to the Motion on the BPS and say that as this country moves forward with the kind of economy that has been battered by the COVID-19 pandemic, the Government needs to start reviewing its policy under expenditure. We have a huge deficit within the budget that is being proposed. Even when we have such deficit, we have key sectors within the BPS that are not adequately funded, for example, the land sector which is an area that I will always talk about.

The Ministry of Lands and Physical Planning has the physical planning aspect where we have put in a new Principal Secretary. However, the PS, State Department of Physical Planning, is given around Kshs60 million only to manage the whole Department for a whole year. The idea of planning our towns and cities by putting infrastructure for development to ensure that we have new towns that are developing will not be achieved because there is lack of funding in key areas of the land sector.

For this country to develop on the basis of the Vision 2030 and the Big Four Agenda by the Government, the land sector must be properly funded so that we have enough money to ensure that people have land where they can put up factories, plant crops, construct houses and other developments for prosperity of this country. If we do not adequately fund the land sector as it is in the BPS, we have a problem taking this country forward on the basis of the development under the Big Four Agenda that we have in this country.

Secondly, sectors of growth, especially service sectors like tourism which is a sector that the people of the Coast Region rely on heavily is being underfunded. Marketing of tourism and tourism products is shrinking. Why? Because we do not have enough resources in these areas. This country will develop when roads are there but this country will develop more when we ensure that service sectors like tourism which are the areas in this world that are growing economies in leaps and bounds are properly funded. If they are not properly funded you will realise that there will be no money in the pockets of the people. What this Government needs to do is make deliberate investment in the BPS to ensure that we are putting money in the pockets of the people that are at the bottom.

Again, on the tax brackets, there are very few people working. There are very few people earning, but we all want to consume. That means that we will not have enough taxes to ensure we develop this country. We need to expand the tax base. How do we do that? It is by putting money in the pockets of the people so that they are able to pay taxes. When more people in this country pay taxes, we will reduce the debt levels that we are increasing every day. What we have is an economy that is shrinking. The more the economy shrinks, the more people are left out of the

taxing paying bracket. We need to empower everybody. This BPS does not do that. It needs to move to ensure that every Kenyan has an opportunity to earn a living and in the process pay tax. When he pays that tax, we have lesser borrowing by this Government.

That notwithstanding, there are many sectors that have been underfunded, but there are other sectors that have huge budgets. For example, the Nairobi Metropolitan Services (NMS) is getting a lot of money, but nobody is thinking about how to develop Mombasa the same way we are developing Nairobi. We are going to overload Nairobi with very many things and yet the other satellite towns are left out.

Other countries like Nigeria have moved to other cities. Other cities have been developed at the same time. If you look at Tanzania today, Dar es Salaam and Dodoma are all developing almost at the same level. What are we doing? We are putting billions of money in Nairobi, developing Nairobi and forgetting that the second city which is Mombasa is shrinking in terms of the economy and investment.

We need to develop another city for this country so that we spread the wealth. The wealth in this country is being concentrated in a few areas. When that happens, it means that many people will move to this town and leave the other places and there will be under-development in the Coast Region because Mombasa is being neglected. I would say that the more money we put in the NMS, the more money should go to Mombasa so that it develops to help the economy so that the port city can develop like any other port city in this country.

Thank you, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Oku Kaunya, Member for Teso North.

(Hon. Oku Kaunya gestured to the Hon. Temporary Deputy Speaker)

Very well. The Hon. Leader of the Majority Party.

Hon. Amos Kimunya (Kipipiri, JP): Thank you, Hon. Temporary Deputy Speaker. I thank the Chair of the Budget and Appropriations Committee for the time they have spent on this BPS and indeed the processing thereof. I know it has taken them time going into the nights. They articulated most of the issues. I do not want to spend a lot of time because the specifics have actually been very well articulated.

Allow me to just correct some misconceptions I have heard on this debt. Yes, it is true the debt has gone up and will continue going up so long as we are not able to cover all the expenditure we want through our taxes. You can only finance through the amount you get from the taxpayer or have to borrow, so long as the need is there. We committed ourselves to free education. We are spending 27 per cent of our Budget on education. Now, where are you going to get the money to pay the teachers if people are not paying taxes? When we say we are using part of debt to finance recurrent expenditure, how are you going to pay teachers? How are you going to pay doctors?

We committed ourselves through the Constitution 2010, to some basic rights that had to be provided under Article 43, yet we complain that we are borrowing to finance recurrent expenditure, when it is us who committed ourselves to provide those services. We have to defend the country. Come rain or shine, defence will have to be there. If there is no money, especially like now, our economy shrank by 5.5 per cent in the second quarter of last year and the collection of revenue went down, debt becomes inevitable. When we have commitments, pension to pay; Parliament to run; Judiciary to run and all those things, debt becomes inevitable.

What we need to think about and what our oversight role should be looking at is if we are using part of that money for debt. The oversight institutions that have been set up like the Assets Recovery Agency and the Ethics and Anti-Corruption Commission (EACC) have been doing their job in terms of looking at those people who have, perhaps, not been diligent enough in doing their job. That is what we should be emphasising on.

Debt *per se* is not bad. I think we may be forced to think that we should never borrow which is what we also tell ourselves even at home. You will see the typical Kenyan trying to accumulate stone, buying a truck of stones every month to build a house. It is because you do not want to go to the bank and take a mortgage and have a house instantly. You will start building a house when you are 20 years and finish it when you are 40 years old. You do not even have time to live in it because of that fear of debt. Debt is good. I want us not to think from that angle.

Now, we are in an economy that is recovering from COVID-19. Kenya is not unique in this situation that we are in. Look at the Republic of South Africa; look at India; look at Britain; look at every country, they are all suffering. Their debt levels compared with their GDP, I believe the Republic of South Africa is now at 80 per cent. We are not even there. It is the same if you look at India and Japan. The USA is almost more than 200 per cent. So, the issue we need to think of is how we can increase our income base so that we have more taxes.

When I listen to my friend, Hon. Owen Baya saying that we just need to get some bottom-up or a few guys to get some more income and pay taxes, it is much more complex than that. Who is going to give them services? You know you need to develop the economy from a holistic perspective. The solution we have is to put more money on the Big Four Agenda. That is what the BPS is trying to do. It talks of the construction industry, more investment in agriculture and more investment in healthcare so that people are healthy, people are food-sufficient and they can go to school and join technical training centres and all those things. That way you have created a reservoir of knowledge that can be used in the future. This abracadabra or bottom-up voodoo economics will not help. It is a wish list which is bad to people. We are giving people false hope that all you need to do is to get some crude implement and you become a taxpayer. We need to start thinking bigger. Technology is the thing and I think the Big Four Agenda is part of that.

There is something else I want to share with this House. Up to about last year, there were lots of talk about some numbers that countries should aim not borrow past—not to borrow more than 60 per cent, if you are a developed economy, 40 per cent if you are not developed. One of the most famous economists, a former IMF expert whom I met, Olivier Blanchard has debunked those figures and come up with a new metric called the Growth Corrected Interest Rates. That is what countries need to think about. What is your growth corrected interest rate about? If we look at Kenya now, we are expecting to grow at 8.7 per cent and we are borrowing at one per cent. We have a growth corrected interest rate of 7 per cent. It makes sense to borrow when you are on negative interest rates. Right? But, if you are growing at one per cent and you are even borrowing at two per cent, then do not borrow. That is because your growth corrected interest rate is positive.

So, those are some of the things that we need to start thinking about. I want to encourage the National Treasury to continue in the direction they are going in terms of going for low-cost long-term interest rates regime.

Hon. Temporary Deputy Speaker, as long we are doing that, we can go back to the market and borrow more so that we finish the roads, investment infrastructure and the Dongo Kundu Road in Mombasa. I am not sure when Hon. Baya was last in Mombasa, but I was there the other day and I saw the massive development that is taking place: The road from the port all the way to Dongo Kundu by-pass, the by-passes to Malindi and the developments in the port and the Special

Economic Zones. I want to ask him to spend more time in Mombasa and not just Kilifi. He needs to do a tour of Mombasa to see the development in the second city, which is our entry point.

The Standard Gauge Railway (SGR) starts in Mombasa and the volume of cargo from Mombasa is an indication of the growth that has taken place. Development is not just within Nairobi because a lot is happening in Kisumu to connect Kenya to the East African region through the Port of Kisumu. There are several by-passes in Eldoret and Nakuru. Development is taking place across the entire country, but we are only seeing the debt that is rising and not the tangible assets. As politicians, we are happy to say that we have brought a road, but at the same time blame the President for increasing the debt levels. The debt has been used to finance the development that you are seeing and pay salaries for teachers when companies have reported negative results because of COVID-19.

We all know that the tourism industry has collapsed and all the revenue from hotels is gone and so, somebody has to fill that gap. I wish Hon. Mbadi was here because I know he is passionate about the debt issue. I want to persuade Members to open their minds. Let us not be blinkers. Let us look wide through the front view mirror and not the rear view mirror. There are things that might have happened in the past, but as we go forward, we have an opportunity.

As the world recovers, we need to recover with it. If we can access cheap loans, let us take them so that we complete all the projects that have stalled. The cost of stalled projects is enormous and anything that was started must be completed. We want to encourage the National Treasury to continue reducing the Budget deficit. They can only do so if Kenyans are willing to pay a little more in taxes, but I am sure that no one wants to pay more. It is about finding a balance and I want to ask Members not to be frightened by the issue of debt. When the issue comes to this House, let us look at the merits and demerits and pass it accordingly.

With those remarks, I support.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Well spoken. Let us have the Member for Saku.

Hon. Ali Rasso (Saku, JP): Thank you, Hon. Temporary Deputy Speaker. I beg to support the BPS 2021/2022. I also want to thank the Budget and Appropriations Committee. The Chairman has just walked out, but I am happy that they removed the Members they did not want and retained and added those that they wanted. We wish them well.

Hon. Temporary Deputy Speaker, the BPS is about certain principles that the country must study as we look at the Printed Estimates. It is about the assessment of the current economic situation. The Member who spoke before me is a former Minister for Finance. When he was in charge – there was no COVID-19 and other serious calamities then – they were able to manage the economy. We had a lot of money in our pockets and there was a lot of development and Kenya was developing so fast that today everybody wants us to go back to the Kibaki years, but we have to move with the times.

Hon. Temporary Deputy Speaker, our debt is now at Kshs7.3 trillion, which is 65 per cent of our GDP. Considering the global trends in terms of borrowing and making the best use of borrowed money, where we are is still sustainable. The problem that is likely to arise is when the money borrowed is put in projects that are not likely to plough back into the economy.

There are issues on the expenditure ceiling. The departments under the purview of the Departmental Committee on Defence and Foreign Relations had high ceilings. When we looked at the reality, the only department that lost money is that of Regional Development Authorities (RDAs). In my view, that was a serious misnomer because the RDAs are working with communities. They include Ewaso Nyiro North, Ewaso Nyiro South, Kerio Valley Development

Authority, Coast Development Authority and many others that have a direct link with the populations in the regions they operate in.

Hon. Temporary Deputy Speaker, the Ministry of Finance and National Planning must be keen on the fiscal responsibility. Article 95 of the Constitution empowers this House to ensure that there is prudent and transparent management of public resources to the extent that we do not just talk about debts that are unsustainable, but the resources available for development.

On borrowing, whether external or internal, there is currently a discussion with IMF to move the borrowing from 5743 to 2773 so that debts are manageable and do not crowd out the local environment.

With those remarks, I beg to support.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Let us have Hon. Martin Owino, Member for Ndhiwa.

Hon. Martin Owino (Ndhiwa, ODM): Thank you, Hon. Temporary Deputy Speaker. I rise to support the Report and thank the Committee for coming up with it in good time. I am disturbed by the disconnect between the BPS and the Annual Estimates. We must ask ourselves whether what we do in this House is ritual or actual. Once we have done this, it is out of our hands, but the Ministries and the Executive do whatever they want to do. I agree with the recommendation of the Committee on tax waiver. A lot of prudence must be put into this because it directly affects the people.

I also agree with the recommendation on deferment of new projects. We say that in this House all the time, but the implementers do not take a serious note of it. We recommend that, but you still find ongoing projects.

In my constituency there are so many stalled projects. I have been moving from one office to the other of those who initiated those projects, including farmers' markets that are important to the people of Ndhiwa, but I have not succeeded. Nobody is allocating funds to do those projects. So, our question is: What happens? How can this House make sure that when we pass the BPS here, it is implemented? We oversee the Executive to execute what we pass here.

The other point I want to make is on the pending bills. This is robbery with violence on the people. Small traders who do business with the Government, especially county governments, borrow money. This money has been out there year in, year out. They are auctioned and run bankrupt, but nobody cares. So, the issue of pending bills is a serious one and action should be taken. The State has no business to own businesses that it cannot manage. I agree with the Committee that these State corporations should be looked into. What Government can do is to create an environment where private businesses can thrive. Globally, you will agree with me that our Government is not doing good business. So, they should transform these corporates to private sector.

On the Big Four Agenda, I want to thank the President for setting it out. When you talk of health, we are still underfunded by almost 7 per cent. We are supposed to put 15 per cent according to the declaration that was passed, but we are hardly doing 6 per cent. So, when we say we are doing a budget that is in line with the BPS, these Big Four Agendas should be funded well, so that the economy is properly anchored to thrive.

Lastly, we should be watchful. When we pass things here, we should monitor how they are implemented. I wish we could have an intervention budget so that when they go wrong, through either committees or this House, we say no.

With those few remarks, I support.

The Temporary Deputy Speaker (Hon. Christopher Omulele): The Member for Ndhiwa, you have that intervention button. You oversee these Government agencies and you can say no. Let us have Hon. Jaldesa, Member for Isiolo.

Hon. (Ms.) Rehema Jaldesa (Isiolo CWR, JP): Thank you, Hon. Temporary Deputy Speaker. I also want to take this opportunity to thank the Committee for their effort. I have taken time to go through the BPS. If indeed, what is written here will be implemented and followed through, then probably there will be light at the end of the tunnel. The reason why I am saying so is because before I joined this Parliament, I happened to have been in a State corporation. During that time, we were told that State corporations would be restructured and those that are not sustaining themselves would be privatised or an innovative strategy would be put in place so that they could sustain themselves. So, I am shocked that to date, five years down the line, nothing has taken off.

To make it worse, I happen to be a new Member of the Departmental Committee on Sports, Culture and Tourism and the situations that have been presented to us are that most of the corporations in that Ministry are about to collapse; they cannot pay salaries and rent. Therefore, I want to urge the Committee – I hope the Chairman is here and the Vice-Chair is seated behind me – that this matter is given the attention it deserves.

I appreciate that we have had a challenging moment because of the COVID-19 pandemic. However, before the pandemic came in to play, we were not doing well as far as the economy is concerned. I wonder what happened. Is it an issue of incompetence at the Treasury or it is a matter of us not being serious with our priorities? As a House vested with the responsibility to ensure that there are checks and balances, this is a matter that should be taken seriously. I am saying this because the debt ceiling of the country is worrying. I was listening to one economist who said that it is high time, as a country, we thought of doing away with the debt ceiling. It made a lot of sense. That, we do not put a ceiling on our debt, instead we put a ceiling on our deficit. As long as we continue to have a deficit, we will continue to have debts going on and on. Therefore, this is something that we need to think about as a House. How do we contain our budget deficit?

An issue that is dear to those of us from the Arid and Semi Arid Lands is the Equalization Fund. It has been captured here and 6.5 billion will be released. This Fund has never been released. The excuse has always been lack of a legislative policy. Now that the Bill has been passed, we expect this Fund to be released. Pastoralists of this country and livestock farmers contribute 40 per cent to the GDP of this country. It is not fair when other sectors are given weight and a sector like livestock that does not cost the Government much is not given attention.

On the pending bills, the President has continuously given directives to make sure that pending bills are paid. I do not...

The Temporary Deputy Speaker (Hon. Christopher Omulele): The Hon. Jaldesa, you have run out of time. We will have Hon. Wangwe, Member for Navakholo.

Hon. Emmanuel Wangwe (Navakholo, JP): Thank you, Hon. Temporary Deputy Speaker. From the outset, I rise to support this Report by the Budget and Appropriations Committee, where I am a Member. I thank my colleagues for the good work that they have done. They took their time on it and they went an extra mile. I have one or two things to observe from this Report that I want to align myself to.

The first one is to appreciate the two levels of government that negotiated the revenue sharing formula and the amount which was a thorn in the flesh of this country. That has been captured in the BPS. The county governments will get their money as they negotiated. An amount of Ksh370 billion is factored in the BPS and that will give them what they negotiated for.

The only thing we would want to say is that this figure is too high. How I wish there was room for renegotiation so that it is brought downwards. It should not strain other sectors. Resources that would otherwise be available for roads and those that would have otherwise gone to Level 5 hospitals have all been included in the allocation to county governments. What is good is that this is a negotiated position.

The other thing that persuades me to support this BPS is the fact that I come from an agricultural zone and agriculture has been recognised in the document. Most of the resources that shall go into crop production have been aligned properly in this BPS. The e-voucher system is a new line of thought by the Government and is well taken care of in this BPS. It is also important to note that the issue of the budget deficit *vis-à-vis* the overall debt portfolio of the country is something we must rise above politics and think of the economy of this country. The fact that we are going to borrow Ksh930 billion to finance the 2021/2022 Budget is not a good thing to smile about. It will hit the overall debt portfolio of this country. We must borrow for the right cause. That is why in the Budget and Appropriations Committee Report we are restrictive.

We do not want to borrow to finance new projects which will not be completed to contribute money to the economy. We want to borrow so that we are able to pay pending bills owed to small people who have supplied goods and services to various Ministries. Once you pay the small person on the ground, he is going to spur the economy in terms of spending. Definitely, that money will come back. We are not going to borrow for mega projects whose lifeline is too long. We want to borrow so that we are able to quickly get value for money.

In one year or two, we should be able to see that the objectives for borrowing are realised on the ground. For that reason, the allowance of Ksh930 billion to be borrowed to finance this year's budget, in my view and that of the Committee, will be a good thing. However, we caution the Cabinet Secretary for the National Treasury that the debt ratio at 7.5 per cent to the GDP is too high. We caution the National Treasury to really work hard and lower this percentage. However, the percentage is manageable; it is within the overall global percentages and it is something that we can still work with.

I also want to look at policy issues. We should consider the issue of State-owned enterprises. It is important that the Government takes our recommendation seriously and surrenders some of these very expensive enterprises to the public. Let the State not do business. It is outdated that the Government can hang on to State enterprises and continue to control them, yet it can surrender them into the hands of the private sector so that private players can pay the Government in terms of taxes.

Enterprises like the sugar mills are dead factories. We just wrote off debts amounting to Ksh85 billion in this House. Why did we write off the debts and yet the factories are still not running? One factory can employ about 2,000 people at a time. We want the State-owned enterprises to be privatised. I call on the Privatisation Commission to wake up and do their job. Let it do justice to the Kenyan people by making sure that these enterprises are privatised.

Thank you, Hon. Temporary Deputy Speaker. I support the report.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Millie Odhiambo-Mabona, Member for Suba North.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Hon. Temporary Deputy Speaker, let me take this opportunity to thank the Budget and Appropriations Committee. I am a member of the Committee and I know we literally burnt the midnight oil in order to come up with this Report. We finished at 1.00 a.m. on that day.

Even as I support the Report, one of the comments I made then and I would like to make now is that this BPS is fairly business as usual. It does not take into account the circumstances under which we operate as a country. We have just experienced COVID-19 which still subsists. There are weather-related shocks and 2022 is an election year. But if you see the way the BPS is couched, it mentions those challenges, but does not actually propose a clear strategy to deal with them.

The BPS is very optimistic and projects a 7 per cent economic growth in the year. That is fairly possible because of the battered economy as a result of the circumstances we are talking about. It will take a while before the growth is realised by ordinary Kenyans, especially by the poorer and vulnerable like women. I hoped it would focus on a very clear post-COVID-19 recovery strategy that focuses on the growth sectors and also cushions Kenyans that are most likely to be affected, especially women and young people in the affected industries. I do appreciate and acknowledge that because of legacy projects. There is a very delicate balancing act. We have to ensure that the legacy projects are realised. It would be foolhardy for us to say they should be stopped, because we know this is the last financial year for the President. We hear different voices. The same people telling the president to stop the projects here are the ones who go out in the public to attack the President for not completing those projects, including my good friend the former Chairman of the Budget and Appropriations Committee, Hon. Ichung'wah. Because of the legacy projects, there must be a very delicate balancing act to ensure that the projects that the President has set out to do are actually done.

I have spent my time going around this country quietly and the President is implementing a lot of infrastructural works in certain areas where people are attacking him. People in those areas will realise it when he is gone. Right now they may not realise that he is implementing quite a bit of infrastructural work. It is the same way we forget we attacked Mwai Kibaki, the former President, but now we keep saying Mwai Kibaki's days were good. I think it is human nature.

Hon. Temporary Deputy Chairman, I do not know what is happening with my system. I hope you will take account of it when it finally stops. One of the issues of concern to me, as some Members have said, is the issue of the linkage between the BPS and the Budget. There is always a discordance. We have raised it with the Treasury and we hope it will be rectified.

Second is the issue of pending bills. I know we have spoken very strongly as the Budget and Appropriations Committee. Many people are reeling from the effects of COVID-19, but they already had pending bills from the Government. Many people are committing suicide. We see very outrageous behaviour. Even if you look at the ongoing by-elections, the level of violence that is being witnessed—even though usually there is violence—is a bit unprecedented.

Members have spoken to the issue of NG-CDF and we must deal with it. There are many constituencies that will be disadvantaged if money is not released. That will lead to inequity, which is unconstitutional. There is also need for a clear debt management strategy.

Hon. Temporary Deputy Speaker, with your kindness, could I have one minute because of the interruptions?

The Temporary Deputy Speaker (Hon. Christopher Omulele): Yes, Hon. Millie, before you could start speaking, one minute had lapsed. So you will have extra two minutes.

Hon. (Ms.) Odhiambo-Mabona (Suba North, ODM): Thank you for indulging me two extra minutes.

We usually do Bible studies in my house on a daily basis and I have learnt a very powerful lesson from my grandchild, Dana. As adults, we like giving complex solutions. Yesterday, we were talking after reading the first Chapter of the Book of Joshua, where the Israelites were moving

to Canaan. Everybody ought to have said which lesson they had learnt from the story. We were talking of issues like God's faithfulness and all that. However, Dana asked why God was taking other people's land and if the Israelites had paid for it? That is the mind of an 8-year-old child. You could actually see that she was in shock. She even went ahead and asked what the Benjamin tribe remaining behind would leave their children with.

Our budgeting and legislation must have the mind of a child. Let us not use complex economic theories. How does it affect the ordinary Kenyan? How does it affect the woman, child; the most vulnerable in the society, those who have been affected by COVID-19 and those who have lost their jobs? It is so that we do not have people committing suicide in this country when we are moving as usual with our business.

I support.

The Temporary Deputy Speaker (Hon. Christopher Omulele). Well spoken, Hon. Millie. I have always wondered about the Philistines who were being chased away. That is a debate for another day.

Hon. Nyamai Kaki, Member for Kitui South. Kindly have the Floor.

Hon. (Ms.) Rachel Nyamai (Kitui South, JP): Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity.

I would like to start by thanking the Budget and Appropriations Committee for engaging us as Chairs in a very strict but friendly manner. I was in the 11th Parliament and I can see the difference in terms of the way we are engaged. In the interest of time, I would like to go directly to matters regarding the Ministry of Lands and Physical Planning and National Lands Commission (NLC).

The Ministry of Lands and Physical Planning and National Lands Commission (NLC) are extremely important, but when we look at the level of funding, there is always quite a deficit. I would like to ask that it be addressed in the sector working groups.

The Ministry of Lands and Physical Planning has a deficit with regard to Recurrent Expenditure of more than Kshs1 billion and it affects critical programmes. When we go to Development Expenditure, it also has a deficit of Kshs3 billion. Bearing in mind that this is a revenue generating Ministry, it can do quite well.

The NLC requested for about Kshs5.8 billion, but year in, year out, they always get quite low allocations, about Kshs1.4 billion.

I will go to our observations. I thank the Departmental Committee on Lands for engaging the Ministry of Lands and Physical Planning officials and the NLC officials for taking them through their policies, asking critical questions and making important recommendations.

I take this opportunity to thank the Members for being hardworking citizens representing the House with regard to land matters.

The Ministry of Lands and Physical Planning has a new Principal Secretary who was funded by this House. This PS with a new department is only relying on Kshs60 million that was allocated to a single project. They are now making a request for resources amounting to Kshs1.950 billion in the Year 2021/2022, something that we made a recommendation that it be considered.

The purpose of having a well-planned country is that it will attract more investors. These funds are meant for many projects. One area that will benefit is the National Special Programmes Sector and the Counties Partial Support Programme. That will ensure that we have proper physical planning within our counties.

In regard to our observations as a Departmental Committee on Lands, we realised that the Ministry of Lands and Physical Planning has not been able to conclude Land Value Index for the

47 counties. People have been talking about loss of money. We have seen serious loss of money because of over-valuation of land. We believe that that Ministry needs to fast-track development of the Land Value Index in the 18 counties that have been identified which I will not read in the interest of time. We need to ensure that the NLC does not take the country for a ride by giving high values. The value of land in these 18 identified counties will be known so that it would be easier to implement Government projects.

As I earlier said, the Ministry of Lands and Physical Planning is a revenue generating Ministry. That is why we are requesting for proper resourcing of it.

I would like to give an example, as I did to the Departmental Committee on Finance and National Planning. They were able to register a revenue collection of Ksh6.7 billion against a target of Kshs6.6 billion within Afya. This money was majorly raised through stamp duty. There were also low figures in the other areas due to COVID-19 pandemic. We realised that this Ministry is susceptible to leakages. We have made a recommendation that they ensure that they stop cash collections.

I would like to go direct to the matter of resettlement. A settled community would be able to generate money. In the Financial Year 2020/2021, they had budgeted for Kshs180--- with a ceiling of Kshs240--- We always give or argue for the Ministry to get money.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Nyamai, time runs too fast. However, you are saying that in this country, projects are exaggerated simply because land value systems are tampered with in a way that makes it impossible to do projects.

Hon. Koinange, Chair of the Departmental Committee on Administration and National Security.

Hon. Paul Koinange (Kiambaa, JP): Thank you, Hon. Speaker.

I rise to support the Budget Policy Statement 2021 because of the policy priorities that it will accord the national security sector. The role of security in economic development cannot be gainsaid as an environment free of conflicts is a boost into investor confidence and is the process of implementing the Big Four Agenda plan. The National security is a prerequisite for any development to take place.

The role of various security agents helps to bring out confidence in the minds of the people. If they are assured of security, the economy and market will equally have their trust and support which in turn will bring about progress and development. As part of post COVID-19 measures, I am happy that the Government will enhance budgetary allocation to facilitate delivery of services by security agencies.

Police and national Government administration officers play a critical role in maintaining law and order, adherence to curfew and other rules and regulations put in place to contain Coronavirus pandemic including contact tracing.

Part of the resources proposed in this BPS will be used to sensitise the police and national Government administration officers on appropriate COVID-19 personal safety measures to protect themselves and those they serve from being infected by the virus. It would also provide police officers with adequate protective gear and equipment including face masks, sanitisers and hand-washing facilities.

To further enhance security operation during and after the pandemic, BPS priorities are: Operationalisation of the newly gazetted police stations; implementation of border security management system to enhance cross border movements of both passengers and goods and acquisition of additional assorted security equipment to enhance mobility of both police and national Government administration officers.

The Government is working to acquire 1,200 assorted vehicles and 5,000 motorcycles for chiefs and assistant chiefs.

It further proposes to cascade e-passport and visa automation to four additional stations locally and abroad and complete digitisation and automation of immigration and complete digitisation and automation of comprehensive registration system.

Hon. Temporary Deputy Speaker, to maintain economic stability and attract investment, national security is very critical. A safe and secure environment remains a prerequisite for achieving the Big Four Agenda. I want to report to this House that the Government has undertaken reforms that target to improve the capacity of the security forces to protect Kenyans against internal and external aggression. In particular, the Government has increased funding to all security agencies to improve their operations.

The increased funding also aims to strengthen security agencies by equipping them to improve effectiveness and rapid response to incidents of crime. Amidst increased regional insecurity, our national security is under no threat. The war against crime and criminality has been up-scaled driven by a national police service that continues to undertake technological human resource and skills reforms to better serve Kenyans. These will be supported by the ongoing expansion of the National Police Service control and command center for surveillance and communication.

To enhance capacity in the police force and reduce the police to population ratio gap, the Government has trained more than 89,000 officers in the police service unit in...

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Koinange, it is only five minutes. Hon. Abuor Paul, Member for Rongo.

Hon. Paul Abuor (Rongo, ODM): Thank you, Hon. Temporary Deputy Speaker. I rise to support this Budget Policy Statement from the outset. I am also a member of the Budget and Appropriations Committee.

First, as we all know the BPS is actually a ceiling. The most important aspect of the Budget Policy Statement is to set ceilings for the ministries to guide them when the Annual Estimates are being done so that they do not go beyond limits that have been set. We have realised that when the Annual Estimates are being done there is a big disconnect between what is proposed in the BPS and what is actually put in the Annual Estimates by the National Treasury.

I would like to give an example. If you look at the Budget Policy Statement of 2020 and the Budget of Financial Year 2020/2021, you will find that globally there was a deviation of about Kshs51 billion from what was proposed in the Budget Policy Statement and what was eventually in the Annual Estimates.

To give a further example, you will find that in the same year, what was proposed in the BPS for the Executive Office of the President was Kshs6.29 billion, but in the Annual Estimates we had Kshs36 billion. That one ministry alone had a deviation of Kshs30.2 billion.

I fully support what was recommended in our Report, that the National Treasury should not go beyond the deficit that we have approved in the BPS of about Kshs930 billion. I would also like to make a comment as a Member of the Committee on Implementation. I would like to challenge my colleagues in that committee that they should start taking very seriously the recommendations done by the Budget and Appropriations Committee, as far as policy recommendations are concerned on issues to do with the budget.

As a member of the Committee on Implementation, I would like to tell the Executive and the National Treasury that this time I do not think we are going to allow such deviations. In addition, we want to tell them it is no longer going to be business as usual. We are going to hold

them to account and ensure that whatever is recommended in the Budget Policy Statement and all other recommendations by the Budget and Appropriations Committee are adhered to.

Hon. Temporary Deputy Speaker, in the last two weeks when we were in Mombasa doing the pre-budget conference, the Governor of Central Bank of Kenya joined us and there was the issue of national debt. The question was whether we are broke as a country. I remember very well the Governor of Central Bank saying we are not broke as a country. As a country, our biggest mistake is that we are spending beyond our means. If you find we are spending beyond our means, then we create a deficit. When you create a deficit, you have to finance that deficit. To finance that deficit we keep on borrowing as a country. That is why we should cut our cloth to our size. This is a big challenge not only to the Budget and Appropriations Committee, but also to us as Parliament. It is time we also own up as a House. We are letting this country down because the Executive cannot overspend. It only spends what has been approved by Parliament. Let us call a spade a spade. We have to take our business very seriously as a House and turn down requests from the Executive that we believe drive this country to continue borrowing to a point that we are now going to surpass the Kshs9 trillion that we had approved for the Executive to borrow.

With those few remarks, I support the BPS.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Abuor, I have every confidence having started by the statement that you are in the Budget and Appropriations Committee and that you will make sure that we cut out the cloth according to what we have.

Hon. Shinali.

Hon. Bernard Shinali (Ikolomani, JP): Thank you, Hon. Temporary Deputy Speaker, for this opportunity. First, I want to thank the leadership of the Budget and Appropriations Committee, Hon. Kanini Kega and the membership at large for sitting long hours and ensuring that they have presented to this House a good and candid report. I will just comment on a few areas which I think I will add because my chairperson has already talked.

I want to look at the energy sector. This is addressing wastage and expensive enterprises that we should not be entertaining as a country. Listening to the Chairperson of the Departmental Committee on Energy, we realise that Kenya generates more power than what it requires and surprisingly we have private energy generating companies, which have been contracted by the Government. They are generating power at Kshs35 yet our State-owned Geothermal Development Company (GDC) is generating at about Kshs7.5 shillings. These private owned generating companies have entered into long term agreements with the Government where they are not able to come out easily.

As a Committee, we recommended that the Government looks into ways of how they can exit those agreements because we cannot have Government companies with team power, but let private companies make a lot of money from this country. We really require this money.

Another area where we observed as a Committee is Government projects which have stalled. This Government has invested a lot of money in buildings which unfortunately have not been occupied. They are either 70 or 80 per cent complete and the Government is not allocating them more money for them to be completed so that they can be ready for occupation.

For example, Mitihani House requires about Kshs600 million to be complete, and the Kenya National Examinations Council (KNEC) will occupy it to save on the rent they are paying. What does this amount to? Every time the project remains stalled, there is interest charged by the contractors, which means at the end of the day the Government will pay 10 times the initial contract sum. We have Ronald Ngala in Mombasa which always appears in the Budget. What happens? When we appropriate money on the same, the money is either not sent or it is removed and the

project continues to stall. We have Government-owned enterprises such as the good Utalii College. It has been used to train many professionals across the country. At one time it was the only one in East and Central Africa.

Hon. Temporary Deputy Speaker, this hotel is on the verge of collapsing because it has not been fully supported by the Government. We have the Kenya Airways and Kenya Power Company (KPC). How much should we pump into Kenya Airways once and for all so that it does not appear every time? We need to appropriate enough money to KPC so that it does not appear again.

I want to speak on revenue generation. We want to see the Government put more money on revenue generating ventures. We have the Kenya Industrial Estates (KIE) which needs to be given money. If we empower our people through development of the constituencies, they will...

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Shinali, you are onto a good thing. It pleases my heart that you have spoken to the issue of Ronald Ngala. This is a terrible thing that we have done to ourselves in this country. The project was budgeted to cost about Kshs4 billion. We have so far paid Kshs6.5 billion, but the project is not complete. It needs another Kshs4 billion to be completed because of what you have just said. So, Chair of the Budget and Appropriations Committee, I hope this is an issue you are going to resolve so that we make good investments of Kenyans' money.

Let us have Hon. Hulufu Oda of Isiolo North Constituency.

Hon. Hassan Hulufu (Isiolo North, KPP): Thank you, Hon. Temporary Deputy Speaker. I would like to support the Report of the Committee on the Budget Policy Statement by highlighting a few things; having gone through the financial resolutions.

In terms of the debate about fiscal deficit, I agree with the Members who have spoken before me that, as a country, we have been living beyond our means. However, sometimes there is no harm if we borrow and invest in productive sectors which grow the economy and generate employment, and if we invest in infrastructure to open up areas where we have unexploited natural resources. As far as we know, this is happening. Therefore, the deficit is still manageable. Various experts in this House have said that as of now, it is still manageable.

I would like to also speak on the Equalization Fund. It was created as a result of negotiations when we were writing our current Constitution. The provision of Article 204 of our Constitution requires that the National Government sets aside one half of all revenues generated by the National Government. This is supposed to be on the basis of the most recent audited accounts. Unfortunately, we are behind schedule and most of the times this applies to the share given to the county governments as well as the National Government Constituencies Development Fund (NG-CDF). The audited accounts are many years behind.

I also realised as a Member who comes from a county that is supposed to benefit from this Fund that this disbursement was done only ones. There have been some negotiations and disputes between the county governments which felt that this Fund should be spent on devolved functions and therefore, the money should be given to them. I am glad at the moment some of these issues have been resolved. We hope what is spelt in this BPS will find its way into the Budget Statement which the CS will table in this House come June.

We also hope that the Equalisation Fund, for the first time, will be released and shared among counties which are supposed to be enabled to catch up with the rest of Kenya. I also want to comment on unfunded requests that were submitted by Committees. I sit in the Departmental Committee on Environment and Natural Resources. Let me say that there are so many important Semi-Autonomous Government Agencies (SAGAs). The Ministry of Environment does very critical roles and is seriously underfunded.

An example of these agencies is the National Environment Management Authority (NEMA). We know this agency enables our country to ensure the environment is safe and we exploit our natural resources sustainably. Unfortunately, because of serious underfunding it is unable to execute its regulatory functions. Another key agency is Kenya Meteorological Department. Its function relates to weather forecast which helps us to plan as a country. Therefore, acquisition of more advanced equipment will enable them to provide more precise forecast. This also affects air travel and safety. In the process of borrowing to meet the deficit, I hope these SAGAs will be considered.

Thank you and I support.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Kisang, Member for Marakwet West.

Hon. William Kisang (Marakwet West, JP): Thank you, Hon. Temporary Deputy Speaker. From the outset, I want to join my colleagues in supporting this Report of the Budget and Appropriations Committee. I want to thank them for according us time. We were there the whole of Friday and as you heard, they left at around 2.00 a.m.

It looks like the National Treasury has not understood the Information, Communication Technology (ICT) sub-sector very well. This sector is the enabler and engine that is helping all the other sectors function. But when it comes to funding you will realise this is one of the sub-sectors that is really underfunded. Every time there is a Supplementary Budget, it is the first one to be cut. Even during the BPS, the ceiling that has been set is way below 50 per cent of the requirements of the sector.

This BPS has proposed that this sub-sector be underfunded by over Ksh20 billion. This is the sector that is supposed to do connectivity across the economic zones in Mombasa, Naivasha and the whole country. Without these funds the achievement of the Big Four Agenda is likely to be undermined. This is because the Big Four Agenda projects require enablement from ICT. Recently in 2019 we passed a law here, the Data Protection Act which had some issues and cases. At least, last year in November, this House approved the appointment of a Data Commissioner. If you check in the BPS, they are proposing to give her less than Ksh50 million. Ksh50 million will not be adequate to support that office because they need to pay rent and employ skilled employees to support the office.

Going forward, you know the referendum is coming soon. We have elections for next year. The Huduma Namba is being rolled out. We are told the cards are ready. So, without funding this particular office, basically are we sure our data will be safe? We will still be talking to the Budget and Appropriations Committee to see how this office can be adequately funded.

On the same note, when it comes to connectivity, we have what we call the national fibre optic that is connecting all our sub-county offices, hospitals and also most of our schools.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Kisang, you were doing so well before. Just go back there.

Hon. William Kisang (Marakwet West, JP): Hon. Temporary Deputy Speaker, I am saying we need resources to connect fibre across the country. We need resources and money for maintenance, repair and to lay new fibre say to schools and polling stations. I believe next year's election will be digital. It will be relayed but you cannot relay without internet connection in our polling centres.

Sometime in 2016, this House agreed with the Ministry of ICT and the NG-CDF to set up constituency innovation hubs to help our youth to create employment opportunities online. It is sad that most constituencies have not allocated NG-CDF money so that we can have Ajira Digital

Programmes across the country. I appeal to my colleagues come 2021/2022 Budget, you fund the innovation hubs in your constituencies so that the youth can get the Ajira Digital Programmes.

On the agencies that are not performing well, we have the Kenya Broadcasting Corporation (KBC) and the Postal Corporation of Kenya in this sub-sector. The Postal Corporation of Kenya is owed Ksh1.4 billion by Huduma Centres and we will be requesting that the Ministry of Public Service sets aside resources to pay rent that they owe the Postal Corporation of Kenya.

Hon. Temporary Deputy Speaker, because of time, I would have wished to say that also soon because of campaigns that are coming, we have what we call hate speech and we need money for monitoring to ensure across...

The Temporary Deputy Speaker (Hon. Christopher Omulele): That is a very valid point. Hon. Kisang, you have made very good contributions in all those areas especially the Data Commissioner. I think we need to seriously think about funding that office. Next is Hon. (Dr.) Makali, Member of Parliament for Kitui Central.

Hon. Makali Mulu (Kitui Central, WDM-K): Thank you, Hon. Temporary Deputy Speaker. Let me also add my voice to this very important debate. I have taken time to look through this Policy Paper and as a Member of the Budget and Appropriations Committee, I have also participated in the discussions.

In this country, our monetary policy is stable but we have challenges with fiscal policy. If I had my own way or if Parliament had its way, this is what I would recommend. Because of the time element, I will not be able to go into details. We need to seriously think about fiscal consolidation. If you look at what is being proposed in the East Africa Region, we are supposed to be working towards 3 per cent, but Kenya used to be at about 6 per cent and now we are at 7.5 per cent. There is also a projection that we might be going to 9 per cent, if we are not careful. So, in terms of fiscal consolidation, you have two sides of the coin. There is the revenue projections and there is the expenditure side. In terms of revenues, as a country, we have been very unrealistic in terms of what we project.

What I would recommend is for the National Treasury and Kenya Revenue Authority (KRA) to become more serious and start giving this country more realistic revenue projections. The truth of the matter is that as a country we are punching below our weight and we need to improve.

On the expenditure side, I think this country is experiencing what I call wasteful expenditure. That has been confirmed by the Auditor-General. What I would propose is, even as we talk about public debt and all the other things, we need to think about growth enhancing expenditure so that we grow the cake. The challenge is, we are spending and not growing the cake. If we want to help this country as Parliament, we need to ensure that whatever comes here from National Treasury in terms of expenditure must be growth enhancing expenditure.

If we want to assist the demand side of the equation, we need to pump more money to the vulnerable groups. That is why I want to congratulate the Executive for adding more money to the *Kazi Mtaani* projects because we are going to pump more money to the vulnerable groups. That will put the demand side of the equation higher and in turn more productivity.

In terms of the way Ministries are structured, if you look at this Budget, there is a ministry with a total budget of less than Kshs 1 billion shillings. Time has come where such ministries should be made departments in other ministries. They are what we call recurrent expenditures which we cannot do away with. If a ministry has a budget of less than one billion shillings, the Executive should just move to the next level and make it a department of another ministry so that we can become more effective in the use of our resources.

Another thing I would recommend is, if I had my way, we would freeze all new development projects for a year so as to manage our deficit. That is important. My last point will be on county government allocation. When you look at the policy paper there is what we call vertical division, where the county and the national Government have been given money. The allocation for equitable share is Kshs 370 billion, out of that, there is a small component of road levy which has been put there. I am sure my chairman did mention this. The road levy is actually managed through a standalone Act of Parliament. As we move forward to discuss the Division of Revenue, this is a point that we will be raising and see how we can accommodate it. There is a bit of an illegality when you take road levy fund and put it as part of the equitable share. This we can take up at the next level.

The last point is the issue of parastatals. If we want to move as a country and go to the right direction, we must structure the parastatals. We must do away with parastatals which are relying on the Exchequer. Forget about them, dissolve them and only retain those that are giving us returns as a country. We want to see a parastatal giving cheques to the National Treasury the way Central Bank of Kenya or Kenya Pipeline does. So let us do away with those that are not giving returns and forget about any other which is just drawing resources from the Exchequer. There is no need of investing in a place where...

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Makali, you always have good things to say. Hon. Duale Dahir, Member for Dadaab.

Hon. Mohamed Duale (Dadaab, KANU): Thank you very much, Hon. Temporary Deputy Speaker for giving me an opportunity to contribute to the BPS. I want to first thank the Committee and all the other committees because this was an effort from all the Departmental Committees with the final report by the Budget and Appropriations Committee.

I want to speak on the issue of public debt. One of the biggest problems we have in our country today is that our revenue base is dependent on tax and we are not generating enough to cover for what we need. We have been borrowing money to cover our recurrent expenditures. We must try to see in a very innovative way through this House and other policies, how we can create more money in the pockets of Kenyans.

Today, one of the challenges that every Member is aware of right now is, wherever you come from, there is the issue of unemployment and lack of income from many households and this means we are not going to get tax. On that aspect alone, I wonder why the BBI is talking of allocating more money, that is, 35 per cent to the county government, when right now we are not able to fund the 2.5 per cent to the NG-CDF. The current county governments do not get their allocations on time. These are some of the issues that we have to be very realistic and consider.

The Jubilee Government has done quite a lot on infrastructure. As it was said earlier, the investment in infrastructure is quite remarkable. The effects of this development will not be felt now. However, some of the priorities were upside down, for example, the Standard Gauge Railway. It would have been more advisable to have a dual carriageway between here and Mombasa. This would have spurred much more economic growth. Today, the SGR only carries containers from Mombasa to inland port but the containers go back empty. Many people are disappointed. Many towns along the road died. What the Government has done in infrastructure is very remarkable. There are roads in Nairobi, Mombasa, Kisumu and many other places. I hope that this Government will construct the road from Isiolo to Wajir and Mandera. This is a project that is funded by the World Bank which should have started. We hope that the project will start off before 2022. There is also the road from Garissa to the border in Liboi Town which traverses my sub county.

Hon. Temporary Deputy Speaker, let me also talk about pending bills. Members have spoken about it. Some of the county governments have refused to pay pending bills to people who provided services to the Government. This means that these people have been rendered economically unable to pay tax. We need to see how we can enforce county governments to pay pending bills to people who provided services to them.

There is also the issue of Equalisation Fund. I come from these areas which were supposed to be given affirmative action. When some of us look at what has happened, we feel that we have been cheated because this money would be provided for a period. Even though the period is almost coming to an end right now, we have not benefitted because the funds were disbursed once. We are aware that what will be done next will include many other places. This will be a trickle down which will be of no significant value.

With those few remarks, I thank you. I support the Motion.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. ole Metito.

Hon. Katoo ole Metito (Kajiado South, JP): Thank you, Hon. Temporary Deputy Speaker. I also rise to support this Motion. All speakers have said that we are not growing the economy, which is very true. Therefore, I will not talk a lot about the overall BPS.

Let me highlight on the agencies that my Committee oversees: National Intelligence Service (NIS), Ministry of Defence, Ministry of East African Community and Regional Development which includes the Northern Corridor Development and the Ministry of Foreign Affairs and International Trade. In terms of growing the economy, let me talk about foreign affairs. We can use foreign affairs to grow the economy. We should shift from the political policy as far as foreign relations is concerned and focus on the economic policy. If we focus our missions on those countries that have economic value more than even the political value to this country, this is achievable.

As far as this BPS is concerned, we are funding the Ministry of Foreign Affairs and International Trade to a tune of only 35 per cent. This is the time it is being funded the highest. We should focus on trade and post trade attachés to these missions. They are called lobbyists in the United States of America (USA). They are people who can lobby for economic opportunities for this country. However, you have to spend money to make money. If we focus on the economic policy, there is a lot that can be achieved.

Hon. Temporary Deputy Speaker, even as it is now, 35 per cent is almost 100 per cent Recurrent Expenditure. For instance, it goes to pay rent for our missions. We have been talking of moving from renting premises to acquiring them. We can even acquire big flats. For example, if you go to New York City, just next to the United Nations headquarters, you will see Uganda House which is a 12 storey building and they only occupy two floors. They use the other 10 to generate income. Nigeria owns a 44 storey building in New York and they only use four floors; the other 40 they use to generate income. Some of the income is ploughed back to their country and most of it is used to meet the cost of all their other missions. Let us put money to our Foreign Affairs Ministry and focus on activities that generate money abroad, to this country. By that, we will be growing the economy.

Again, the EAC and RDA are departments under that Ministry. According to this Budget Policy Statement, we are funding that ministry to a tune of 27 per cent of its requirement. When I talked of 35 per cent for the Ministry of Foreign Affairs, it is 35 per cent what they had asked for. For EAC and RDA we are giving them 27 per cent of what they asked for. These RDAs can be used to generate Appropriation-in-Aid that will lead to more employment which is very helpful in our economy. If we could just give seed capital to these six RDAs- I know colleagues have spoken

about - instead of just relying on donor funds or just paying salaries, they could start income generating projects and that way plough back to the economy.

The rest have not been funded to a maximum of their requirements; that is Defence and the National Intelligence Service. We have proposed a raft of policy measures that need to be done by the Executive and also the Committee which is an extension of this House, to ensure that we align those activities to those that will generate money and grow our economy.

Hon. Temporary Deputy Speaker, I support.

The Temporary Deputy Speaker (Hon. Christopher Omulele): The Hon. Manje, Member for Kajiado North.

Hon. Joseph Manje (Kajiado North, JP): Thank you, Hon. Temporary Deputy Speaker for giving me this chance to contribute to this Report on BPS. They have really done a good job although, there are a lot of assumptions on how this Report has projected the expenditure for FY 2021/2022. For example, the growth will be 7.4 per cent, not knowing that we are just coming out of the COVID-19 situation and the businesspersons need to be settled so that at least they can continue...

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Manje, dress up.

Hon. Joseph Manje (Kajiado North, JP): I thought I am alone within a perimeter.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Member, so long as you are in the House, you must have your mask on. Let us agree on one thing, let us not argue about this. This thing will save your life. Hon. Manje, you know this; it is not about you but it is about the other Members to have confidence that they are safe. Nobody is saying that you are sick, but you cannot know. Let us wear these masks when in this House and let us wear them correctly all the time. Let us try.

Hon. Joseph Manje (Kajiado North, JP): Thank you, Hon. Temporary Deputy Speaker, I stand corrected. It is that I had assumed that there is nobody near me.

As I was saying, if we want to make progress in this country, we have to take resources where they are productive. If you look at the allocations, you will find that NIS is budgeted to receive about Ksh42 billion; the Ministry of Interior is to receive Ksh132 billion and Defence Ksh127 billion. The total is about Ksh300 billion. If you check the production part of the economy like agriculture and trade, enterprise development is allocated only Ksh3.1 billion; ICT, Ksh23 billion; livestock development, 7.6 billion; fisheries and the blue economy is Ksh10 billion and industrialisation Ksh6.7 billion. Together it amounts to about Ksh50 billion equivalent to the National Intelligence Service without the other part. That means that we are directing resources where they are not required compared to our economy. This is an agricultural economy and we should take most of the resources to production areas. If we get a lot of information from the NIS yet people are hungry, it means we will keep on trying to safeguard them. Agriculture was not properly allocated.

I also realise there is a big problem when it comes to the accounting cycle of the country. For example, the BPS is not followed word for word by the Budget. When the Budget is done, within a very short time, a Supplementary Budget is brought.

Last year, we had Supplementary Budgets I, II and III. This makes accounting a bit clumsy and untidy. We should budget once per year and forget about supplementary although we know that life is dynamic. We should try as much as possible to be good planners. Sometimes we find an item brought in a supplementary budget that is like a long time project. We cannot start a project in between unless we do not have good planners in the Ministry. I would also advocate that we

should have planners in every ministry and come up with master plans for every ministry such that they will be operating and acting according to the master plan with very little deviation.

At times, we find auditors are not given good money. The amount allocated to the auditor and the Ethics and Anti-Corruption Commission is about Ksh5 billion and Ksh3.6 billion respectively, yet we want them to safeguard our kitty. We should take resources where they are required.

I support.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Members, this Motion has run its time. I now call upon the Mover to reply; Hon. Kanini Kega.

Hon. Kanini Kega (Kieni, JP): Hon. Temporary Deputy Speaker, thank you very much for this opportunity to reply to the Motion. I want to be magnanimous and donate two minutes to Hon. Gichuki Mugambi, Hon. Atandi and Hon. Arbelles, with your indulgence.

The Temporary Deputy Speaker (Hon. Christopher Omulele): I accede. We will begin with Hon. Mugambi. Proceed.

Hon. Gichuki Mugambi (Othaya, JP): Thank you very much, my Chair and thank you very much Hon. Temporary Deputy Speaker. I stand to support the BPS.

What we need today in this country, where a lot of investments has been done and borrowing has gone to investment, is to optimise the investment this country has done in terms of infrastructure and in all other areas like Technical and Vocational Education and Training (TVET) and all others. That is where Kenyans need to come together and ensure that they produce. We need incentives where they are necessary so that the private sector can come in and make use of the investments the Government has put up. This way, we will be able to increase our GDP and dilute the percentage of the borrowing we have today.

I support, Hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Atandi, Member for Alego-Usonga.

Hon. Samuel Atandi (Alego-Usonga, ODM): Thank you, Hon. Temporary Deputy Speaker. I also thank my Chair for donating a minute for me to say something. I support the BPS. There are several assumptions that have been made in the BPS. I agree with the assumptions, especially those touching on projected revenues. Since the creation of the COVID-19 by the Chinese, we have not been able to meet our revenue objectives even with the reforms that we have instituted ourselves in this House. Looking at the figures that have been given, I urge the House that these revenue figures are doable.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Atandi, it is only fair that you withdraw that part about creation of the virus by the Chinese. It is a friendly country.

Hon. Samuel Atandi (Alego-Usonga, ODM): Hon. Temporary Deputy Speaker, I withdraw.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Very well.

Hon. Samuel Atandi (Alego-Usonga, ODM): Hon. Temporary Deputy Speaker, the projected revenues in this BPS are doable, and it can be done if this House is magnanimous enough to fund the KRA. The KRA, which is in charge of revenue collection, is quite underfunded in terms of infrastructure and staff. Given that we are going to have a serious expenditure pressure occasioned by the fact that we have so many programmes that we must implement this year, including the Building Bridges Initiative (BBI), *et cetera*, it will be important for this House to allocate substantial resources to the KRA so that they are able to meet the revenue projections that we have in this BPS.

With those remarks, I support the BPS.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Very well.

Hon. Arbelle.

Hon. Marselino Arbelle (Laisamis, JP): Thank you, Hon. Temporary Deputy Speaker, for equally giving me this opportunity. I rise to support the BPS. This BPS gives us a highlight of projections of the Budget, including the reduction of unnecessary expenditure.

Due to the COVID-19 pandemic, the Treasury has discouraged financing of new projects in order to promote or support projects which have stalled. In line with that, I would like to support that sentiment considering that our policemen and policewomen have been living without proper housing. If we will be able to improve their welfare, it will protect and help them so that they are able to protect the lives and properties of Kenyan citizens.

With those few remarks, I support the BPS.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Finally, Hon. Kanini.

Hon. Kanini Kega (Kieni, JP): Thank you, Hon. Temporary Deputy Speaker. As I reply, I am very grateful from the bottom of my heart to the invaluable contributions that we have got from Members. We will take them into consideration. It is not an exercise in futility.

I would like to confirm to this House that this BPS will not be like the other BPSs, and we will make sure that the Estimates that will come to this House will be a true reflection of this BPS. That has not been the case in the past, but this time round, I confirm to this House that we will make sure that it is a true reflection.

As I conclude, there is only one recommendation that I had skipped inadvertently. That is, during the finalisation of the 2021/2022 Budget Estimates, the resources allocated for all international trade functions under the Ministry of Foreign Affairs be transferred to the State Department of Trade and Enterprise Development in order to be in line with their assignment of functions as per the Executive Order No.1 of 2020.

When the Jubilee Government came to power in 2013, the Foreign Trade Department was under the Ministry of Foreign Affairs, but it has since been moved to a different ministry.

Hon. Temporary Deputy Speaker, I thank you for the time you have given us, and we will remain true to the work that is given to this House.

I beg to reply.

The Temporary Deputy Speaker (Hon. Christopher Omulele): Well done. We have completed this business, but Hon. Members, for a good reason, I will not move on to the next step in its regard. I direct that that step be undertaken when this business is put on the Order Paper again.

(Putting of the Question deferred)

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Christopher Omulele): Hon. Members, the time being 6.30 p.m., the House stands adjourned until 7.00 p.m. today.

The House rose at 6.30 p.m.